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Security Council

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Monday, 25 June 2007, 10.20 a.m.

New York

President:	Mr. De Gucht	(Belgium)
Members:	China	Mr. Wang Guangya
	Congo	Mr. Gayama
	France	Mr. De La Sablière
	Ghana	Mr. Tachie-Menson
	Indonesia	Mr. Pratomo
	Italy	Mr. Spatafora
	Panama	Mr. Suescum
	Peru	Mr. Chávez
	Qatar	Mr. Al-Bader
	Russian Federation	Mr. Churkin
	Slovakia	Mr. Burian
	South Africa	Mr. Kumalo
	United Kingdom of Great Britain and Northern Ireland	Sir Emyr Jones Parry
	United States of America	Mr. Khalilzad

Agenda

Maintenance of international peace and security: natural resources and conflict

Letter dated 6 June 2007 from the Permanent Representative of Belgium to the United Nations addressed to the Secretary-General on natural resources and conflict (S/2007/334)

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07-39337 (E)

The meeting was called to order at 10:25 a.m.

Adoption of the agenda

The agenda was adopted.

Maintenance of international peace and security: natural resources and conflict

Letter dated 6 June 2007 from the Permanent Representative of Belgium to the United Nations addressed to the Secretary-General on natural resources and conflict (S/2007/334)

The President (*spoke in French*): I should like to inform the Council that I have received letters from the representatives of Angola, Argentina, Botswana, Brazil, Canada, the Democratic Republic of the Congo, Egypt, Germany, Iceland, India, Japan, Liechtenstein, Norway, Pakistan, Senegal, Switzerland and Tunisia, in which they request to be invited to participate in the consideration of the item on the Council's agenda. In conformity with the usual practice, I propose, with the consent of the Council, to invite those representatives to participate in the consideration of the item, without the right to vote, in accordance with the relevant provisions of the Charter and rule 37 of the Council's provisional rules of procedure.

There being no objection, it is so decided.

At the invitation of the President, the representatives of the aforementioned countries took the seats reserved for them at the side of the Council Chamber.

The President (*spoke in French*): In accordance with the understanding reached in the Council's prior consultations, I shall take it that the Security Council agrees to extend invitations under rule 39 of its provisional rules of procedure to Her Excellency Sheikha Haya Rashed Al-Khalifa, President of the General Assembly, and His Excellency Ambassador Dalius Čekuolis, President of the Economic and Social Council.

It is so decided.

The Security Council will now begin its consideration of the item on its agenda. The Security Council is meeting in accordance with the understanding reached in its prior consultations. I should like to draw the attention of members of the Council to document S/2007/334, containing a letter dated 6 June 2007 from the Permanent Representative of Belgium addressed to the Secretary-General, transmitting a concept paper on natural resources and conflict.

I shall now make an introductory statement in my capacity as the representative of Belgium.

I thank participants for coming here and agreeing to participate in this open debate on natural resources and conflict, a subject that I hold particularly dear.

Here are, in a few words, the reasons why Belgium wished to organize this debate. In countries rich in natural resources, the revenue derived from the sale of raw materials is essential for growth and development and thus contributes to peace and stability. Unfortunately, experience shows us that the exploitation of these resources can also become a factor that magnifies conflict, both directly, owing to armed conflicts relating to the ownership and distribution of revenue, and indirectly, because in fragile countries a dependence on natural resources leads to an increased risk of weak governance and poor economic performance. All of these factors contribute to conflict-prone environments.

Natural resources can also be a means for conflict, allowing armed groups to finance their activities. These links between natural resources and conflict have been noted in several crises that have been in the forefront in the last few years, particularly in Africa. I myself was made aware of this problem, in particular, through our diplomatic action in Central Africa.

The question of the role of natural resources in armed conflict is not a new one; the Security Council has been faced with it for several years. The Council has responded by imposing embargoes on certain commodities and by requesting sanctions committees and groups of experts to study this aspect of certain situations on its agenda. A number of peacekeeping operations have also incorporated the issue of natural resources into their work.

However, the debate so far has focused only on certain countries and been limited to specific aspects of the question. The Council has not undertaken a horizontal reflection process on this dimension of its work. It is time for us to focus on the lessons learned from its experience and on means of strengthening the effectiveness of the Council's instruments.

Moreover, a number of the countries most affected by the problem are now emerging from conflict. Here I am thinking in particular of Liberia, Sierra Leone and the Democratic Republic of the Congo. This raises fresh questions for the international community and for the Security Council in particular.

There has been a growing awareness of the fact that in order to avert any relapse into acute conflict, it must be ensured at an early stage that in the affected countries natural resources play their rightful role, which is to serve as a source of wealth and development rather than of instability.

Various initiatives exist with respect to that general objective, such as the Kimberley Process for diamonds. A more recent one, the Extractive Industries Transparency Initiative (EITI), which is aimed at enhancing the transparency of the revenues of extractive industries, is based on that same logic. Here let me also mention the International Tropical Timber Organization, which has programmes to combat illegal trade. The Organization for Economic Cooperation and Development has developed guidelines aimed at increasing the private sector's awareness of its responsibilities. The World Bank and the United Nations Development Programme are increasingly taking this issue into account in their activities in resource-rich countries.

Thus today's debate is an opportunity also to focus on the linkage between the actions of the Security Council and the aforementioned efforts of the international community, in particular in countries emerging from conflict. We must ensure a smooth transition from a logic of sanctions, which is appropriate in periods of acute conflict and which is dictated by security considerations and managed by the Council, to a logic of reconstruction, in which the goal is to help a country recover and make optimal use of its sovereignty over its natural resources, and where other actors take over.

I am convinced that we will have a fruitful debate on this issue.

I now have the honour to give the floor to Mr. Lynn Pascoe, Under-Secretary-General for Political Affairs, who will speak on behalf of the Secretary-General.

Mr. Pascoe: Mr. President, thank you very much for the opportunity to appear before the Security Council today. This is an important topic and an important issue for debate. As the Council recognized in resolution 1625 (2005), there can be no question that there often exists a close link between illegal exploitation of natural resources and conflict. The question before us is: What can we do about it?

In too many cases, the illegal exploitation of natural resources has triggered, exacerbated and prolonged armed conflict. The connection can be quite complex, and it is not limited to one region or one economic commodity. Nor is it limited to one phase of conflict.

Solutions must take all of these issues into consideration. With good governance and effective measures to ensure accountability and transparency, natural resources can be a great boon to a country and contribute to peace and development. We need to work actively to ensure that those factors are in place. A wide range of actors will have to be involved.

As the Council is aware, I have just returned from Somalia, where food and water insecurity, combined with intra- and inter-clan rivalries and a legacy of poor governance, have left the country mired in violence. The proposed National Reconciliation Congress may be the best chance Somalia has had in the last 15 years to start moving forward. But we must not neglect the crucial issue of natural resources as we seek to assist Somalis in this important process.

Likewise, the African Union and the United Nations are embarking on a new effort to assist the parties in Darfur to conclude a political settlement and, as a recent report by the United Nations Environment Programme pointed out, it would be remiss of us to ignore the environmental underpinnings of that crisis.

In Afghanistan, the drug economy represents a fundamental threat to the still-fragile political, economic and social institutions established according to the 2001 Bonn Agreement. While progress is required on all fronts — political, military and regional — no solution will be possible without making fundamental progress on eliminating the drug economy.

As the international community faces those challenges, we can draw on many lessons from the past decade. Thanks in part to the efforts of the Security Council, we have gained important practical

experience in the context of sanctions regimes and peacekeeping, on which we must build.

The imposition of targeted sanctions in Angola, Sierra Leone, Liberia, Côte d'Ivoire, the Sudan and the Democratic Republic of the Congo, backed in many cases by the appointment of expert groups to monitor compliance, has yielded a wealth of knowledge about conflicts themselves and about the broader phenomenon of how they are fuelled by the illicit extraction of natural resources. As the Secretary-General noted in his 2006 report on the prevention of armed conflict, we must make better use of the knowledge gleaned from sanctions experiences. That knowledge can be invaluable in enhancing the quality of our crisis-prevention work.

The Department of Political Affairs continues to play a fundamental role in assisting Member States to improve the effectiveness of targeted sanctions. As Council members are aware, my department provides substantive servicing to sanctions committees and supports the work of the various expert groups and panels. Targeted measures imposed by the Security Council are playing a crucial role in sustaining peace processes, especially in the post-conflict peacebuilding phase, as in the case of Liberia and Sierra Leone.

Although peacekeeping operations are of limited duration with explicit mandates, if they have adequate resources they can play a vital role in monitoring developments on the ground, enforcing sanctions and embargoes and supporting State capacity in that area. In Liberia, the United Nations Mission in Liberia (UNMIL) worked diligently to support Government compliance with the Kimberley Process, a prerequisite to removal of the embargo on rough diamonds, and supported the development of a national forestry reform law that allowed for the lifting of timber sanctions in September 2006. Moreover, while the diamond sanctions were lifted in April 2007, the most recent Security Council resolution — resolution 1760 (2007) — provided for a continuation of the mandate of the group of experts.

In the Democratic Republic of the Congo, the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) has been helping to restore stability to the resource-rich Democratic Republic of the Congo, working with the Panel of Experts. However, the scale of illegal exploitation of natural resources far surpasses MONUC's resources.

Neither sanctions nor peacekeeping operations alone can produce sustainable solutions to this problem. What is required is a commitment on the part of all stakeholders to the equitable sharing of natural resources and to good governance, accountability and transparency.

I have already alluded to the critical role that natural resources often play in creating crises inside and between countries. Our crisis-prevention strategies must be greatly enhanced to include the capacity to deal with natural resources issues early on.

The issue of natural resources management should also be addressed during peace processes and in constitutions. The fledgling mediation support capacity in our department is working to develop operational guidance for mediators on this question and will include this expertise in the planned standing team of mediation specialists. However, any agreements on the management of resources will remain on paper only if they are not accompanied by the necessary capacity. We need to build the national capacities of vulnerable countries to establish effective economic governance, as with Liberia's Governance and Economic Management Assistance Programme (GEMAP).

Good governance and transparency are required not only of Governments in whose territory the illegal exploitation is taking place, but also of Governments in a position to police the activity of those engaged in illegal exploitation and illicit trade. For instance, while the Government of the Democratic Republic of the Congo must live up to its commitments under the governance contract, which promises improved stewardship of the country's resources, international support for its efforts will be critical to success.

Translating those types of commitments into action requires a comprehensive approach that draws together the technical and financial resources of development agencies, regional diplomacy and international commodity-specific monitoring and certification schemes.

Regional approaches are key, given the cross-border dimension of the trade in illicit resources. I welcome new regional initiatives, such as the December 2006 Pact on Security, Stability and Development in the Great Lakes Region, which

includes a Protocol against the Illegal Exploitation of Natural Resources. The Pact needs to be brought into force as quickly as possible. Another example is the Gulf of Guinea Commission, which brings together all oil-producing countries of the western African coast and will address specifically issues of natural resources and security.

We must also continue to encourage efforts — working with regional organizations, Member States and non-governmental organizations — to regulate business practices and promote corporate social responsibility in conflict-prone environments, not just with respect to specific industries but across the board. The Global Compact seeks to do exactly that, and encouraging lessons have been learned from existing initiatives, such as the Kimberley Process and the Extractive Industries Transparency Initiative. I welcome the recent admission of Liberia to the Kimberley Process and hope to see the Process further strengthened through better monitoring, stronger verification and increased transparency.

Finally, we must not overlook the potential for the natural resource challenge to provide opportunities for cooperation and the defusing of political tensions. The management of shared water resources can be a powerful force for peace. One example is the Nile Basin Initiative, which includes institutions for joint problem-solving amongst the 10 riparian countries.

Equitable and accountable natural resource management is a key element of an effective State and must be a critical element of our efforts in conflict prevention, peacekeeping, peacebuilding and development. A coherent and consistent United Nations approach to natural resource management therefore is essential and will have a critical role to play in the Organization's peace, security and development activities. We look forward to working closely with the Security Council on that issue in the months and years to come.

The President (*spoke in French*): I thank Mr. Pascoe for his briefing.

I now give the floor to Sheikha Haya Rashed Al-Khalifa, President of the General Assembly.

Ms. Al-Khalifa (*spoke in Arabic*): I am pleased to address the Security Council once again at an open debate. I wish to express my sincere appreciation to the President of the Security Council for the month of June 2007, Mr. Karel De Gucht, Minister for Foreign Affairs of Belgium, for inviting me to participate in today's substantive debate.

At the outset, I would like to stress that my participation in today's thematic debate, in my capacity as President of the General Assembly at its sixty-first session, confirms the need for greater cooperation and coordination between the General Assembly as the chief deliberative, representative, and policymaking organ of the United Nations, on the one hand, and the Security Council as the organ with the primary responsibility for issues related to the maintenance of international peace and security, on the other.

In that context, I welcome this opportunity to provide the Council with the perspective of the General Assembly regarding the issue at hand. I believe that the various and complex aspects of the relationship between natural resources and conflict should be addressed through the collaboration of all organs, namely, the General Assembly, the Security Council and the Economic and Social Council.

I wish to commend the Kingdom of Belgium for the concept paper it has prepared to serve as a basis for our discussions in today's debate under the theme "Maintenance of international peace and security: natural resources and conflict".

The linkages between natural resources and growth and development cannot be overstated. Furthermore, the linkages between natural resources and the potential conditions for conflict are becoming ever more apparent and better documented.

One very important aspect in that regard is the ownership of natural resources and their revenues. Questions relating to the distribution of revenues among the various national groups in many countries provide fertile environments for initiating or prolonging conflicts. Furthermore, overdependence on natural resources is not conducive to viable development strategies in many poor countries and may lead to the eruption of internal conflicts. While I agree that there must be a distinction between the successive phases of a conflict, we must all agree on the responsibilities of Member States, as well as of the various organs of the United Nations, to deal with those phases.

The sustainable and equitable management of natural resources lies at the heart of today's debate. I

agree with the idea set forth in the concept paper to the effect that improving management of natural resources in the absence of conflict is not the primary responsibility of the Security Council. While respecting the sovereign rights of all Member States, we have to encourage a more rationalized and effective use of natural resources. That has to be clearly linked to the development agenda of the international community.

In post-conflict situations, the General Assembly, the Security Council and the Economic and Social Council should collectively and clearly debate on how best to develop, through the Peacebuilding Commission, a development-oriented approach to foster the factors of stability and prosperity and to prevent the relapse of countries into conflict.

We all stand to gain from working together to address the many aspects of this issue. Member States, the United Nations, regional organizations and groupings, the private sector, multinational corporations and non-governmental organizations have a role to play in the different phases of addressing the issue. The Kimberley Process provides a good example of how everyone can work together to stop the illicit trade in natural resources — especially, in this instance, of conflict diamonds.

I look forward to seeing the results of the deliberations of today's thematic debate, which I hope will provide an important input into the collective work of the United Nations and all its organs on the issue of natural resources and conflict.

The President (*spoke in French*): I now give the floor to Mr. Dalius Čekuolis, President of the Economic and Social Council.

Mr. Čekuolis: I would like to thank the Belgian Government for taking the initiative on this very important issue.

The economic and environmental dimensions of conflict are sometimes overlooked, but they should never be underestimated. Today's timely debate on the nexus between natural resources and conflicts serves as an important step in advancing a broad understanding of how Governments, the appropriate multilateral bodies and businesses can improve the management of natural resources and contribute to peacebuilding efforts and the maintenance of peace and security.

Access to natural resources has been a source of conflict throughout human history. In the modern world, the State has aimed to mitigate its potential for causing conflict by regulating access to, and trade in, natural resources. That, however, is a complicated endeavour. The exploitation of natural resources can evolve into a cause of conflict, fuelling and prolonging it in a complex cycle. The twin role of natural resources in fuelling and motivating conflicts is being increasingly recognized in strategies for conflict prevention, conflict resolution and peacebuilding. However, at the same time, we recognize that every conflict, be it communal or nationwide, ethnic or separatist, has its own dynamics and social, political and economic circumstances.

The mechanisms through which natural resources induce conflicts are often deeply rooted in economic and social structures and call for integrated approaches in addressing peace and development. Natural resources cut across various other sectors and require multidisciplinary responses that address inequality, including gender inequality, governance, financing, economic policies and international trade. An effective framework for natural resources, conflict prevention, peacebuilding and development needs to address those and many other dimensions.

Single-commodity economies especially, mostly in the developing world, can become overdependent on revenues from a particular natural resource. In a world of fluctuating prices and currency exchange rates, combined with potential security threats, such dependency can lead to political, social and economic instability. Certain environments tend to be still more conflict-prone, especially in places where the economy performs poorly and where checks and balances are weak. That leads to less accountable Governments, which may facilitate the spread of corruption and increasing poverty rates. Those features have been shown to be contributing factors to conflicts.

In post-conflict or peacebuilding contexts, the complex nature of challenges may require innovative approaches to deal with the exploitation of natural resources. Success in developing and diversifying export sectors can do much to achieve the growth that provides better livelihoods and generates rising revenues for State-building. But another important and often neglected dimension is how conflict countries integrate themselves into the global economy, doing so

in ways that strengthen the hands of peacemakers, nation-building efforts and poor communities.

It is important to understand in conflict and post-conflict situations how the United Nations system can support timely action that can effectively break the nexus between natural resources and nascent ongoing conflicts — namely, by making natural resources a factor of stability and a source of development, by promoting diversification of the economy and by helping to build a strong and accountable Government. Such improved management of natural resources would need to be made into a central element of State-building efforts within a peacebuilding or national development strategy.

In line with Article 65 of the Charter of the United Nations, the Security Council and the Economic and Social Council could consider, on an ad hoc basis, the establishment of a format to discuss development-oriented approaches to the use of natural resources. Such a forum could be useful for advancing our understanding of the link between natural resources and security.

The oversight role of the Economic and Social Council in matters of development cooperation and humanitarian assistance can also be of particular value in those situations by promoting better integration between the relevant policy and operational dimensions and by promoting the concept of an integrated approach, including with the International Monetary Fund and the World Bank.

Finally, particular concerns about the growing number of conflicts in oil-producing regions may warrant specific focus on the energy sector, with attention to greater transparency and accountability.

The key operational challenge for us is to transform what we often refer to by the shorthand term "war economies", which are fuelled and sustained by natural resources, into "peace economies", in which resources can provide a source of conflict prevention and human security.

The President: I thank Mr. Čekuolis for his statement.

(*spoke in French*)

In accordance with the understanding reached among members of the Council, I should like to remind all speakers to kindly limit the length of their statements to no more than four minutes, in order to enable the Council to carry out its work as expeditiously as possible. Delegations with lengthy statements are kindly requested to deliver a condensed version in the Chamber, on the understanding that they may distribute the longer version in writing.

I shall now give the floor to members of the Council.

I shall first give the floor to the representative of Indonesia. On behalf of the Security Council, I warmly welcome the presence among us of Mr. Eddy Pratomo, Deputy Minister for Foreign Affairs of Indonesia. I now give him the floor.

Mr. Pratomo (Indonesia): At the outset, allow me to express my appreciation to the delegation of Belgium for organizing this timely meeting on the issue of natural resources and conflict. My delegation is certain that, under the able stewardship of Minister Karel Gucht, the Council will arrive at a successful outcome.

Natural resources serve to support the world economy. They provide the foundations for economic development and can lead to great wealth. Stability and security arise simultaneously. Natural resources enable countries to build a solid foundation for future generations to reap the benefits of today's wise decisions. Natural resources are a gift and a source of blessings for any given country. They also play an important role in fuelling the global economy. In today's world, a nation may be in possession of vast quantities of a certain natural resource. However, it requires human ingenuity to turn such a resource into a valuable commodity. Human ingenuity can produce marvels, but it has also caused many calamities in the past and will undoubtedly do so in the future. The fact that this issue is being discussed in this body is acknowledgment of the potential of natural resources for both progress and problems.

As has been explained by others, the failure to implement principles and policies of good governance can be a factor in fuelling armed conflicts. Proper management of natural resources is certainly one way to address this issue, as is investment in the design and application of sustainable economic development policy. Domestic and foreign companies in the extraction industry can be encouraged to implement the principles of corporate social responsibility.

My delegation fully subscribes to the view that countries facing difficulty in the management of their natural resources should invest more effort in strengthening the rule of law. For our part, Indonesia is continuously trying to improve its legal system and law enforcement institutions. We can list a number of policies and strategies to increase our capacity to withstand internal shocks. However, that alone would be insufficient. To secure stability, a country equally has to have the capacity to withstand external shocks. External shocks are beyond the capacity of many United Nations Member States to address individually.

In our view, it is imperative that external factors be taken into account when we discuss the link between armed conflicts and natural resources. The extraction of natural resources can be realized only if it meets several criteria, which include the possession of high technology and extensive capital and the existence of a reliable and functioning market. The latter is sometimes overlooked.

For my delegation, one of the key issues in discussing this topic is the role of the international market and its participants. A particular type of natural resource would neither attract attention nor incite fierce competition if it did not have considerable value or carry with it the expectation that it could become valuable. It can be in terms of strategic value or financial value.

In a world marked by interdependence and interconnectivity at the regional and global levels, one action in one part of the globe would have a direct impact on another part of the world. The extraction of a particular natural resource would have an impact elsewhere. A surge of demand in one part of the world would increase pressure to find it at any cost.

As well as acknowledging the responsibility of the source country, we believe that destination or transit countries also have a major role to play. They could be a source of armed conflict. All of us have a shared responsibility to prevent and act against acts that fuel armed conflicts. To emphasize heavily the responsibility of the source country without highlighting the responsibility of transit and destination countries would prevent us from having a profound discussion. It is this trinity that we must bear in mind.

Let me underline that natural resources would fail to bring benefit to anyone, if such commodities could not reach the market. Sellers, buyers and users thus have equal responsibility in preventing natural resources from being used to fuel armed conflicts.

Past practices of violent and blatant competition to possess natural resources may have ceased to exist. Many went to extremes in order to satisfy their insatiable appetites for valuable natural resources, thus leaving countries and nations destitute. No one can guarantee that these practices will not be repeated in another place or time. History does not exactly repeat itself, but it does rhyme. What differentiates one era from another is that there are different players and different contacts.

Nevertheless, the aim is still similar and shaped by different market factors. Gold and black gold are some of the most valuable commodities of our lifetime. In years to come, other energy-sensitive commodities will have taken their place and will drive competition, leading to armed conflicts.

From our perspective, it is clear that fierce competition for possession of valuable natural resources fuels armed conflict. It is not and cannot be the natural resource as such that is responsible. Thus, in order to address this issue effectively, the Council must acknowledge that its vast power has limitations. It can impose sanctions and more. It can authorize military actions, but this would not solve the underlying problems. The Council might be tempted to become involved in the area of prevention.

The Charter has purposely designed several institutions to tackle successive phases of conflict. I can cite several organizations within the United Nations family that are well armed in the area of conflict prevention. The United Nations Development Programme and the United Nations Office on Drugs and Crime have been tirelessly working to promote good governance in many developing countries. They can contribute enormously to the maintenance of peace and security. They can also work in raising the awareness of relevant stakeholders in the developed countries about the impact of their actions and policies in fuelling violent conflict. Moreover, the Peacebuilding Commission can also address issues related to post-conflict situations. Hence, the United Nations is not lacking in the area of proper tools to address the many faces and stages of armed conflict.

In conclusion, my delegation would suggest that the Security Council and the General Assembly discuss

ways and means of jointly organizing an international conference on this important issue. Such a conference organized by these two vital bodies would send a clear and unambiguous signal of the commitment of the two bodies to address this issue in a coordinated and comprehensive manner.

Mr. Al-Bader (Qatar) (*spoke in Arabic*): Mr. President, I am pleased to see you among us here today presiding over the Council, and I would like to congratulate you on behalf of the delegation of Qatar for the outstanding performance of your delegation, which is presiding over the Council this month. I wish you every success in carrying out that task in the best possible way.

Today's meeting comes at a time when a number of countries endowed with natural resources are in the grip of conflicts and are host to United Nations peacekeeping operations. Sadly, this phenomenon is not new. It is merely a contemporary version of an old story that dates back to the second half of the last century. Back then, the main incentive for embarking on adventures beyond national borders was the race to control and exploit the natural resources of developing countries.

At the outset, I would like to state the following facts. First, the topic of natural resources does not fall within the Security Council's competence and mandate, as set forth and defined by the United Nations Charter. Rather, this topic lies at the heart of the competence and mandates of the Economic and Social Council and the General Assembly. Dealing with this topic in the Security Council infringes on the prerogatives of both bodies and undermines the democratic principles of the United Nations. We do not approve of extending the authority of the Security Council to cover State resources by linking natural resources to issues of international peace and security.

Secondly, the principles of national political and economic independence depend on a State being able to exercise its full and undiminished right to self-determination and full sovereignty over its natural resources in the interest of the development and well-being of its people. International law has ensured the absolute right of every State to dispose of its natural wealth and resources, in accordance with its national interests. Accordingly, endowing the Security Council with authority over those resources contravenes international law and diminishes the sovereignty of States over their natural resources by subjecting it to a global strategy.

Thirdly, on 14 December 1962, the General Assembly adopted resolution 1803 (XVII). This resolution was entitled "Permanent sovereignty over natural resources". It indicated, among other things, that "The right of peoples and nations to permanent sovereignty over their natural wealth and resources must be exercised in the interest of their national development and of the well-being of the people of the State concerned".

Fourthly, and in the same vein, General Assembly resolution 3281 (XXIX) of 12 December 1974, entitled "Charter of Economic Rights and Duties of States", primarily defines in its chapter I the principles governing economic, as well as political, relations among States. Article 2(1) of chapter II entitled "Economic Rights and Duties of States" also says that "Every State has and shall freely exercise full permanent sovereignty, including possession, use and disposal, over all its wealth, natural resources and economic activities".

It is worth drawing attention to the following: article 1, paragraphs 1 and 2, of the International Covenant on Economic, Social and Cultural Rights (1966), and of the International Covenant on Civil and Political Rights (1966); the United Nations Charter; and the international rules governing the issue of natural resources in situations of military occupation, which require the occupying Power not to exploit natural resources in occupied territories and not to cause any damage thereto.

Bearing all this in mind, we would like to stress that the root causes of most conflict situations today are due, not to natural resources, but rather to various international and domestic political reasons.

When reviewing the reports of the Secretary-General on the causes of conflict in Africa, we find that he attributes the causes of conflict to the different stages of economic development and different policies and patterns of internal and international interaction and regional variables. The reports also touch on the cumulative outcomes of the colonial era. While those reports also refer to natural resources, they do not focus on them as a root cause of conflict.

In the light of that historical background, it would have been more useful for us to address the

relationship between natural resources and development. A case in point is Africa, which is a major producer of basic commodities. Commodity-based economies are currently booming in Africa, due to increasing demand from countries that have fast-growing regions, including India and China. In that respect, developed countries can play an extremely constructive role by integrating developing countries into world trade, facilitating access for their exports to the world markets and providing preferential treatment for them, facilitating the transfer of technology, and increasing official development assistance and debt relief. They can also support the South-South cooperation strategy as part of the Tripartite Technical Cooperation for development. In this way, they would assist many resource-endowed countries, especially in Africa, by boosting the growth engines in those countries, so that they can progress quickly towards achieving the Millennium Development Goals.

A country's natural resources should not be a source of affliction for it. It is crucial that we avoid repeating the history of the painful colonial era. Rather than approach the issue of natural resources as a source of conflict, we must include it in the development agenda of the United Nations.

Thus, it would be more useful for States to discuss the issue of natural resources in the General Assembly and the Economic and Social Council, in the context of the development agenda, rather than here in the Security Council. Such an approach would enable the developing countries to manage their natural resources without foreign trusteeships or interference, in a way that serves their national interests, and within the framework of a just international economic order.

Mr. Suescum (Panama) (*spoke in Spanish*): The decision by the Belgian Government to introduce the item of today's discussion to the international community is an acknowledgment of the important correlation that we frequently find between natural resources and armed conflicts.

Abundance, while it is an important element for peace and security, can also be a heavy burden if its fruits are not invested in the future, or if States do not ensure that its benefits belong to the people in general, through the transparent regulation of political counterweights and State institutions. The Council has dealt with violent disputes where the exploitation of resources has fuelled brutality and disregard for the most basic human rights. But limiting oneself to reaction alone does not fulfil the preventive responsibility of the Council vis-à-vis threats to international peace and security. At an initial stage, it is up to Governments to ensure participatory and inclusive management of their natural wealth, for the purpose of ensuring that ambition does not lead to conflict. The Council must then cooperate with Governments and promote their efforts to achieve greater levels of transparency and responsibility and to prevent situations in which families are uprooted from their homes, millions of deaths occur and cruelty runs rampant.

Through cooperation among non-governmental organizations, the international community and private enterprise, valuable initiatives have begun to reduce the illegal trafficking of natural resources and to normalize the actions of Governments and private enterprise in the exploitation of mineral and natural resources. For example, the Kimberley Process can take pride in the fact that today 99 per cent of the diamonds in circulation are conflict-free. That success and others like it should encourage us to meet new challenges.

Unfortunately, instruments such as the Kimberley Process are voluntary commitments, and there is a real danger that their implementation will not be made a priority. But that should not prevent the international community from using mechanisms such as the Peacebuilding Commission to be more active in promoting greater monitoring and transparency and to monitor the actions of public and private actors. The lessons drawn from recent initiatives to minimize the transfer of resources in conflicts involve identifying ways and means to reinforce those initiatives in a context appropriate for the Council.

One controversial point involves the disregard of sanctions imposed by the Council. Although progress has been made in drafting so-called targeted sanctions, we need to consider what actions might be devised for those who violate those provisions. We could then, as our countries declared in 1945 when signing the United Nations Charter, promote "social progress and better standards of life in larger freedom".

Mr. Gayama (Congo) (*spoke in French*): During every era and nearly everywhere, natural resources have been connected with war and violence. They have

inspired pirates and conquistadors in the search for gold.

Today's debate on the maintenance of international peace and security: natural resources and conflict, also offers us the opportunity to address the aspects of prevention as well as the management of conflicts. Congo thanks the Belgian delegation in particular, for that initiative. In addition, we wish to welcome your personal presence, Mr. Minister for Foreign Affairs, as the head of your country's delegation.

Congo is convinced that, in the quest for more effective prevention and enhanced consistency which has led the various bodies of the United Nations to evaluate their degree of effectiveness, the Security Council, the General Assembly and the Economic and Social Council — we also welcome the presence of their Presidents here — will focus jointly on the fundamental factors underlying peace, security and development, which are part of their mandate.

The abundance of natural resources in Africa has helped to shape its contemporary history, more often than not to its detriment rather than to its advantage. Since the era of triangular trade between Europe, Africa and the Americas, the trade in what was then called "ebony wood" provided the incentive for colonial intrusion with agricultural and mining concessions made to the major mining companies, which were accountable only to their States and their boards of directors. Struggles for influence among transnational corporations and recurrent wars, which continue today to affect the pace of change in that part of the world, reflect striking continuity in both time and space.

In the 1960s, Africa quickly took the measure of this major issue affecting its accession to international sovereignty. Thus, a quarter century before the Rio Earth Summit, the 1968 African Convention on the Conservation of Nature and Natural Resources set out conditions for the control and management of our natural resources. At the same time, the Group of 77, and the third world in general, were advocating the establishment of a new international economic order based on fair commodity prices and an equitable trading system; they also worked to form associations of countries that produced various commodities.

In this regard, my delegation wishes to state that its views are in line with those to be outlined by the representative of Tunisia on behalf of the African Group.

The 1998 report of Secretary-General Kofi Annan on the causes of conflict and the promotion of durable peace and sustainable development in Africa (S/1998/318) clearly showed that natural resources were playing an increasingly important role in triggering and sustaining conflict and that those resources aroused greed among local and external actors alike. States or companies were organized into networks that control the entire process from exploitation to marketing and simultaneously ensure prosperity for the arms merchants who were well able to benefit from that process.

Thus, oil, diamonds, timber, gold, coltan and other commodities constituted the main stakes in the wars in Angola, Sierra Leone, Liberia, Guinea-Bissau, the Democratic Republic of the Congo and elsewhere. Increasingly, to those resources we must add those that derive from the control of land and water resources in heavily populated areas, such as in Rwanda and Burundi, as well as in the Middle East. Given those stakes, regional cooperation initiatives are beginning to be established, such as the Congo Basin Forest Partnership and the Stability, Security and Development Pact for the Great Lakes region.

When natural resources are not the primary cause of conflict their exploitation determines its duration. In Angola, for example, it was diamond mining that provided the União Nacional Para a Independencia Total de Angola with sufficient revenue to buy arms, pay its soldiers and engage in combat for many years, which destroyed the country and hampered its development. And when, as in that case, external allies are aligned behind each of the parties to the conflict, external collusion is active and operates virtually in broad daylight.

In many cases, rebels have taken over mining activities and are thus self-financing. They sometimes use a third financing mechanism: the sale of rights to the future exploitation of resources they intend to seize or which they already control. We have seen this in Liberia and Sierra Leone.

More than previously, internal factors in African conflicts are linked largely to control of the political power that makes possible the control of economic resources; the two are closely connected. As Kofi Annan stated in his 1998 report, given the multi-ethnic

character of most African States, such competition can lead only to an often violent politicization of ethnicity. The external actors I spoke of earlier thus find it easy to intervene — if not in triggering a conflict, then at least in keeping it alive.

There is a new saying in Africa: oil is the source of conflict and war. That assertion reflects the bitter observation that, in some countries, natural resources hinder the smooth functioning of the economy: corruption and the squandering of revenues from exploitation, even when exploitation is carried out with seeming respect for State sovereignty. It has indeed been noted that the countries most dependent on the export of minerals or certain other products have also been those with the weakest economic growth and with the direst poverty. Such elements cannot fail to be of concern, because they increase the probability of conflict.

Thus, indicators of poor governance increase with the weakening of the rule of law and the subordination of administrative structures to the management of commodity exports, rather than to the goal of strengthening procedures for regulation and control. Natural resources have even been able to advance secession movements under the influence of certain citizens obsessed with the concentration of such resources in a part of the country with a particular cultural, ethnic or geographical identity.

Indeed, the nature of political power in many countries with natural resources has given rise to patrimonial management giving the leaders exclusive control over resources, to the detriment of development goals. The absence of oversight of State bodies leads to all manner of abuse, including the diversion of capital — always towards countries of the northern hemisphere. According to World Bank and International Monetary Fund assessments, the African continent — the very symbol of development assistance — is in the paradoxical situation of being a net source of capital for developed countries at a time when the latter countries are experiencing donor fatigue.

Moreover, foreign businesses operating in countries in conflict or crisis situations often exacerbate tension, not only because they have sometimes been involved in the overthrow of a given regime, thus creating instability that favours their interests, but frequently also because of the meagre interest they have shown in the negative consequences of their activities with respect to human rights and the environment.

Developing countries that produce or possess natural resources must strengthen their democratic systems, in particular political pluralism and oversight mechanisms, and must promote the rule of law and zero tolerance of corruption — in a word, good governance. As regards external collusion, codes of conduct should be established to bolster the social responsibility of all in host countries to direct activities towards the common good and the establishment of policies of transparency in economic and financial operations. And to ensure the credibility of sanctions regimes, transnational corporations should not be treated more leniently than local leaders when it comes to economic abuses and crimes.

We welcome the Security Council's support of the Kimberley Certification Process, which has helped reduce the trade in what are commonly called blood diamonds or conflict diamonds. That is a major contribution that is restoring a certain degree of ethics to this trade.

It is also important that States be encouraged to abide by the Extractive Industries Transparency Initiative (EITI). That initiative thwarts corruption in that it lifts the veil off mining companies' payments to host States — payments whose opacity fuels corruption and patrimonial management. Citizens must be better informed about income derived from the exploitation of their countries' natural resources in order to reduce certain predatory behaviours that run counter to the public interest and could lead to instability and even armed conflict.

As for oil companies in particular, they would benefit from publishing what they pay to the States in which they carry out their activities. That is the idea of the "Publish what you pay" campaign, which is supported by many organizations throughout the world.

Finally, in the area of utilizing natural resources for peacebuilding, insufficient financing has often been mentioned. While peacebuilding requires considerable resources, those resources could be provided by the country concerned. That is the paradox of immensely rich countries that are floundering in poverty — a paradox that in itself challenges the international system of economic relations and, at the same time, poses the problem of peacekeeping operations and the

strategic prospects on which they depend. But that is a different debate.

My delegation supports the draft presidential statement to be prepared in the light of our deliberations and reaffirms its interest in this debate. We undertake to give it our particular attention and that of the Security Council's Ad Hoc Working Group on Conflict Prevention and Resolution in Africa, over which the Congo has the honour to preside.

Mr. Tachie-Menson (Ghana): My delegation welcomes you, Mr. Minister, to this meeting and would like to express its appreciation to the Belgian presidency for organizing this debate. My delegation also associates itself with the statement to be made by the representative of Tunisia on behalf of the African Group.

Over the ages, natural resources and their exploitation have been a factor contributing to tensions and conflicts within States and between States. In recent years, while inter-State wrangling over natural resources has been managed relatively well through mechanisms put in place by the international community, such as mediation and international judicial bodies, intra-State rivalry and claims for such resources have been causes of brutal conflicts and civil wars in some regions of the globe.

In the discharge of its responsibility to maintain international peace and security, it is only appropriate that the Security Council should focus on natural resources as one of the root causes of conflict.

In theory, natural resources provide an opportunity for enhanced economic growth and development. However, in various instances, those same resources have provided a motive for conflict and, in several cases, have fuelled and prolonged conflicts.

In discussing this issue, it may be helpful to consider it from the following perspectives: conflict prevention, conflict situations and post-conflict situations.

With regard to conflict prevention, it is imperative that natural resources be managed responsibly for the benefit of the population. Such a good-governance approach should be aimed at promoting human security and economic development. The nexus between human security and development should be the basis of such a policy.

It is the responsibility of Government to ensure the protection and survival of the constitutional order by creating the conditions necessary for human security, which will reinforce efforts towards development. In sum, the critical factor is equitable distribution of the returns from natural resources to provide, inter alia, health care, education, poverty alleviation programmes and systems to entrench the rule of law. This inclusive approach removes the sources of tension and disaffection from society.

In conflict situations, short of intervention, the challenge for the international community is to devise means to prevent the misuse of profits derived from natural resources from fuelling and prolonging the war. The United Nations and the international community as a whole have resorted to commodity sanctions and certification as means of confronting the problem. The question is: how effective are the sanctions and the certification process?

It must be stated that the Kimberley Process of certification for diamonds has achieved quite significant success in stemming the trade in diamonds from conflict areas. However, there is there is evidence that in some cases greedy businessmen have found ingenious means to trade in such diamonds through unwitting third-party countries, thus obscuring the origin of the diamonds. Sanctions-busting also has become a fine art, with the prohibited items finding their way into the world market. Clearly, there is a need to strengthen the sanctions regime and the certification process. That cannot be done without vigilance and active cooperation on the part of all Members.

Another aspect of the illegal exploitation of natural resources in conflict situations is its impact on the environment. In the absence of a responsible governance system, it is unlikely that safety and environmental standards will be complied with.

With regard to post-conflict situations, the Peacebuilding Commission has an important role to play in facilitating the rebuilding of institutions of governance to ensure competent and responsible management of natural resources. Once a freely elected and accountable Government is in place, the sanctions may be lifted.

In discussing the link between natural resources and conflict, we cannot overlook the most precious of all natural resources: water. Water is life itself. Even

though water is a renewable resource, supplies have been affected by pollution, overpopulation and climate change. Those factors have combined to increase pressure on water resources in terms of both quantity and quality. The result is a looming global water crisis, with which the international community will have to contend in the future.

A 1999 World Bank report indicated that 40 per cent of the world's population — approximately 2 billion people — has no access to safe drinking water. Various studies indicate that water is likely to replace energy as the most critical natural resource and is also likely to be a source of tensions and conflicts within and between nations. To avert this looming crisis, the international community must institute a comprehensive coordinated programme of action on the management of water resources, population policy and climate change.

Finally, my delegation wishes to stress that the issue of natural resources and conflict must be examined in all its multifaceted aspects if we are to make any progress.

Mr. Kumalo (South Africa): The discussion of natural resources and conflict is indeed both timely and necessary. By proposing such a specific topic, the Belgian presidency has made it possible to draw a clear distinction between African countries that are at peace, where natural resources have become the lifeline of the people, as opposed to those countries that are caught up in conflict or emerging from conflict.

Africa is a continent richly endowed with some of the most sought-after natural resources, such as oil, diamonds, cocoa, coltan and timber. While many African countries use their resources to promote a better life for their people, it is in countries where there is conflict that the presence of those natural resources has become a curse.

During the 2006 United Nations Expert Group Meeting on Natural Resources and Conflict in Africa, the meeting identified the "need for a broad and holistic approach that takes cognizance of the interconnectedness between natural resource governance and other peace, security and development issues" as well as the "need for coordination, cooperation and partnership in addressing natural resources".

In many countries that have seen conflict, it is the rebel movements that have developed access to external markets of the developed world, as demonstrated in the evidence gathered on the many conflicts that have become the subject of the Security Council, such as Angola, Liberia, Sierra Leone, the Democratic Republic of the Congo and Côte d'Ivoire. This situation makes the role of traders, transport companies, international banks and transnational corporations a critical part of this debate. On the other hand, the home Governments of those involved in trading with rebels, smugglers and arms traders must also be held accountable for the actions of their entities abroad.

In the case of diamonds, the Kimberley Process has demonstrated how effective industry-wide initiatives could be in creating accountability and ensuring that the illicit export of resources is curtailed. Accountability, transparency and ethical behaviour on the part of the private sector in the trade of natural resources should therefore be encouraged. This approach would be a proactive way to ensure that natural resources contribute to peace, prosperity and economic development.

In responding to conflicts, the Security Council has since 2000 implemented numerous sanctions regimes. The success of those regimes can be assured only if States and transnational corporations exercise their obligations to fully adhere to and implement the sanctions regimes imposed by the Security Council. The role of the United Nations expert groups in monitoring the implementation of the sanctions regimes and in ensuring compliance with and enforcement of those regimes is indispensable. It is therefore critical that the capacity and role of the Secretariat and the expert groups be continuously improved and enhanced in order to have a proper appreciation of and response to changing developments on the ground.

The role of targeted and individual sanctions has also become an important tool in the hands of the Security Council in addressing the illicit trade in natural resources and its negative consequences. However, the reversibility of targeted sanctions can act as an important carrot in ensuring that once behavioural modification has been ensured, those measures are reversed. A case in point is the recent lifting of the Liberia timber and diamond sanctions regimes.

In the case of peacemaking and peacebuilding, the Council should ensure that the root causes of conflicts and the role of resources as a contributing factor are addressed in the peace agreements as a way of ensuring that countries do not relapse into the vicious cycle of conflict. In this regard, the role of the Peacebuilding Commission is critical in ensuring that natural resources are taken into consideration when developing its integrated peacebuilding strategies for countries emerging from conflict.

The nexus between natural resources and conflicts manifests itself in different ways in different countries. A holistic approach is critical in designing a multifaceted policy response to these complex issues in the areas of governance and the role of the private sector, and in addressing inequality and underdevelopment. This debate today, in our view, will certainly assist in developing such partnerships and broad holistic approaches. It is for this reason that we support the statement that will be adopted today.

Mr. De La Sablière (France) (*spoke in French*): France associates itself with the statement that the Permanent Representative of Germany will make on behalf of the European Union.

France would like to thank, first of all, the Belgian presidency of the Security Council and Minister Karel de Gucht for organizing this useful debate on an important topic. We very much hope that the discussion today will advance understanding of the link between natural resources and conflicts and lead to greater consideration of this link in the Council's actions.

This is not a new problem. Since the 1990s, the financing of certain armed rebellions in Eastern and Central Africa by what were called "blood diamonds" drew attention to the links between the illegal exploitation of natural resources and the effects on peace and security. In fact, a veritable war economy cycle was established in some countries. In order to stop it, it was essential to find a response that integrates this dimension, an economic dimension.

The Kimberley Process, born directly of this observation, is considered to be the main success with regard to certification of a mineral resource. The success of the Process is reflected in particular in the significant increase in the official output of the countries concerned. The Process — which the European Union chairs this year — remains fragile, however, as it is dependent on improvements in keeping statistics and in the implementation of more rigorous internal controls. Despite this fragility, it is a success that has been the source of numerous debates now taking place on extending and adapting the methodology to other mineral resources.

These initiatives must be encouraged by the Security Council, as they respond directly to the problem of the illegal exploitation of natural resources as a factor in conflict — which is within the Council's competence. The Council must also emphasize with force and clarity and without hesitation, each time that the situation requires it, the link between illegal exploitation of a certain natural resource and a conflict.

We believe that we must also see about strengthening the effectiveness of sanctions mechanisms established by the Council with a view to greater coherence and responsiveness. We believe that that is one of the Council's top priorities in its action in this area.

The Council must also consider the actions to be taken from the period of managing and exiting a crisis so that those actions are naturally extended in the post-conflict framework. Concretely, that means that the Council must also take the problem that brings us together today into account when drafting the mandates for peacekeeping operations.

It must also be recognized, as several speakers before me have done, that the links between natural resources and conflicts concern areas that come under the competence of other bodies. I am naturally thinking of all the actors in development, since the sound management of natural resources is a factor in stability and sustainable development.

What is our Council's place in this? It seems to us, in fact, that the exact extent of the responsibility that the Council must take in this matter in relation to other international institutions or bilateral partners cannot be determined in advance. It depends, in reality, on the circumstances of each specific case, and there is certainly no model in this matter.

We believe that the Peacebuilding Commission, given its mandate, will naturally have to take into consideration the problem of the exploitation of natural resources in the context of its work, with the desire that resources of countries emerging from conflict be

exploited in such conditions that only lead to the stabilization and development of the country.

In conclusion, I should like to emphasize the importance of this debate to our joint consideration of ways to fine-tune the instruments available to the Council.

Mr. Chávez (Peru) (*spoke in Spanish*): Allow me at the outset to welcome the presence here of the President of the General Assembly, the President of the Economic and Social Council and the Under-Secretary-General for Political Affairs.

As we have stated on a number of occasions, the causes of conflict can best be explained by looking at the structural patterns of societies that have suffered from civil war. These structural characteristics reveal the complexity of the internal conflicts under consideration by the Council, particularly those in Africa, as well that of as the tasks of post-conflict recovery, reconstruction and reconciliation.

There is no doubt about some of the structural characteristics common to all these conflicts. Societies with a very low per-capita income; societies that are dependent on the production of natural resources and, more generally, of commodities; societies with a low level of economic growth; and countries whose economic structures still reflect the influence of colonialism and that are poorly integrated into global markets tend to be more prone to violent civil conflicts. That tendency towards violence is even greater when factors of ethnic or cultural exclusion, among others, are involved.

To prevent the resurgence of conflict in such societies, it is necessary to create viable economic structures that will promote the diversification of production, integrate technology into the end product and give it greater value added. We also must work to counter their extreme vulnerability to a drop in commodity prices.

However, better commodity prices are not sufficient, just as it is not sufficient to sign an agreement or to hold elections. Above all, it is necessary to create viable economic structures and inclusive democratic institutions, as well as to ensure the smooth functioning of a society based on the rule of law, with systems in place to protect human rights and endowed with a transparent and sound judicial system.

Broad-based efforts are under way to analyse and pinpoint the link between natural resources and conflict situations. We should recall that there are a number of ways of viewing the link between conflicts and natural resources — a link that Peru does not see as being intrinsic or unavoidable. Given such a broad conceptual perspective, the Council should focus its reflection on common elements, that is to say, based on its own experience with the countries on its agenda and bearing in mind the character of each particular conflict.

From that standpoint, an initial observation might be that the tools used by the Council have not served as a substitute for the political will of the parties to a conflict to restore peace or to rebuild a country's institutions and its political, economic and social governance. On the contrary, the will to rebuild has been strengthened when viable agreements have been reached on the use and distribution of the wealth emanating from natural resources and other commodities. There is no doubt that one of the prerequisites for the success of the Council's work is ownership by the parties in conflict of such resources — that is to say, such processes must be based on the recognition of the sovereignty of States over their own natural resources.

We can conclude, therefore, that we must place greater emphasis on enhancing the effectiveness of the instruments used by the Council to strengthen the internal regimes for the sovereign management of natural resources agreed on in peace accords, and to ensure that financing for the parties in conflict does not prolong or intensify a violent struggle for power. That approach has been used by the Security Council with positive results in the quest for peace in Liberia and Sierra Leone. Internal agreement on the sovereign management of natural resources also appears necessary with respect to the future stabilization of the Democratic Republic of the Congo. However, we believe that it can be key also in other situations on the Council's agenda, such as in the Sudan, Iraq and Timor-Leste.

As we stated earlier, we cannot generalize or assert that, wherever natural resources exist, there must necessarily be conflict. Nor can we state that the mere existence of natural resources will ensure peace, stability and development. It is up to the Security Council, therefore, on the basis of the security situation prevailing in the countries on its agenda, to follow

closely the political developments in each of those countries, strengthen political agreements to help States regain control over their territory, and ensure compliance with arms embargoes and sanctions regimes.

Similarly, in cooperation with other United Nations bodies, regional organizations, neighbouring States as well as other relevant actors, in particular in the area of financing and development — such as the World Bank and the International Monetary Fund — the Council must ensure that the capacities of States are strengthened so as to promote the sovereign and transparent management of their natural resources and the process of peacebuilding.

Finally, we believe that our experience should enable the Council to take an approach that is based on agreements reached by the parties to a conflict concerning the sovereign and sustainable use of natural resources, thus assigning mandates that are appropriate to United Nations integrated offices and peacekeeping operations. Sanctions regimes must be made more effective, and expert groups must be encouraged to consider the lessons learned, make use of them and, when necessary, propose that modifications be made to the mandates of peacekeeping operations or to sanctions regimes.

Mr. Wang Guangya (China) (*spoke in Chinese*): Natural resources are a rich endowment from Mother Nature and have played a critical role in the perpetuation, development and prosperity of human civilization.

However, the exploitation of natural resources is a double-edged sword. The improper use of resources can trigger a series of problems in the economic, social, environmental and governance areas. Under specific circumstances, the irrational exploitation, use and distribution of natural resources can cause a gradual increase in social conflicts, which can culminate in internal strife or even in regional disputes.

Of course, the causes of armed conflicts are complex and deep-rooted and involve many interrelated factors. The connection between natural resources and armed conflicts is not a simple causal one, nor does possession of the former necessarily lead directly to the latter. In our view, to properly address the link between natural resources and conflict, the following principles should be taken into account.

First, it is necessary truly to respect the full and permanent sovereignty of countries over their natural resources. Since the 1960s, the General Assembly has adopted a series of resolutions and documents recognizing that a country enjoys full and permanent sovereignty over its own natural resources and is entitled to exercise that right freely. Those resolutions and documents have played an important role in encouraging countries to develop their economies through their own efforts, promoting effective international cooperation and maintaining world peace and stability. They should continue to be effectively implemented.

Secondly, it is necessary to continue to strengthen coordination among the various United Nations agencies. Many development agencies, including the United Nations Development Programme, the United Nations Environment Programme, the World Food Programme and the Food and Agriculture Organization of the United Nations have done a great deal of work in assisting countries to realize the rational exploitation and sustainable use of their natural resources. The Peacebuilding Commission has also offered guidance to post-conflict countries concerning the effective use of natural resources in the reconstruction process. Various agencies within the United Nations system should further strengthen coordination and cooperation, consolidate current resources and further enhance efficiency.

Thirdly, the Security Council should continue to play a constructive role. Embargoes on natural resources produced in conflict areas are an important tool at the disposal of the Security Council to prevent, intervene in and put an end to conflicts. All countries must therefore strictly implement the existing sanctions imposed by the Council.

At the same time, the Security Council should also give more consideration to the possible humanitarian impacts of sanctions and take corresponding remedial measures to avoid focusing on one aspect of the question while neglecting others. Since the purpose of sanctions is not to punish, we must attach importance to and improve the mechanism for lifting sanctions. When the time is right, the Security Council should lift sanctions immediately so as to give full play to the policy-guiding role of sanctions and put natural resources into service for the peaceful reconstruction of the country concerned and the welfare of the local people as soon as possible.

Fourthly, it is necessary to let regional organizations and other relevant mechanisms and initiatives play their full role. In recent years, regional organizations, including the African Union and the European Union, have played an important role in encouraging countries to strengthen the management, protection and rational use of natural resources. The adoption of the Security, Stability and Development Pact for the Great Lakes region has demonstrated the determination of countries in Central Africa to strengthen unity, join hands in development and engage in cooperation. In addition, intergovernmental mechanisms and arrangements such as the Kimberley Process have been a strong force in curbing illicit transactions in natural resources and maintaining the stability of natural resource-producing countries, especially in Africa. The efforts of the aforementioned mechanisms and individual countries complement those of the United Nations and should continue to be encouraged.

Natural resources are a critical material basis for the survival and development of human society. It is the shared responsibility of all countries to make wise use of natural resources and to strive for sustainable development to the benefit of all mankind. As an important arena for advocating international cooperation and maintaining world peace, the United Nations undoubtedly has a tremendous role to play in that area. We support the continued discussion of this issue in the General Assembly and the Economic and Social Council.

Mr. Khalilzad (United States of America): I would like to start by thanking you, Sir, and your entire delegation for your efforts to bring this important issue before the Council during your presidency.

In terms of our discussion, I would like to make five points.

First, this is an important issue — one that we have been interested in for some time. Ten years ago, the Security Council convened a ministerial-level meeting to discuss the causes of conflict in Africa. In response to the Council's request, then-Secretary-General Annan issued a report on the sources of conflict and the promotion of durable peace and sustainable development in Africa that identified the struggle for control over natural resources — diamonds, timber and other raw materials — as factors contributing to conflicts in Liberia, Angola and Sierra Leone. Since then, the international community has taken important steps to address the use of natural resources to finance conflict, particularly in Africa, and to help ensure that revenues from natural resources are put to good use. However, we still have a long way to go.

Secondly, the United States has taken this issue seriously in multilateral and bilateral venues alike. The United States has strongly supported efforts by the Security Council to prevent the use of natural resources to sustain conflicts in Angola, Sierra Leone, Liberia and the Democratic Republic of the Congo through the implementation of regulatory mechanisms and, as necessary, sanctions. We also believe that the transparent, equitable management of natural resources is a key aspect of post-conflict reconstruction that should be addressed by the Peacebuilding Commission. Those efforts should put a particular focus on the participation of women, since they are often dependent on natural resources and most affected by violent conflicts.

The United States has also been at the forefront of efforts by the international community — Governments, non-governmental organizations, the private sector, the World Bank, the United Nations, the Global Environment Facility, the Organization for Economic Cooperation and Development and the G-8 — both to prevent the illicit use of resources from fuelling conflicts and to harness those natural resources for sustainable development.

In 2000, the United States, the United Kingdom, Norway and the Netherlands; 16 oil, mining and energy companies; together with human rights, labour and corporate responsibility groups developed voluntary principles on security and human rights. Those voluntary principles provide practical guidance to companies to strengthen human rights safeguards in their security arrangements in the extractive sector. In 2003, the United States signed on to the Kimberley Process Certification Scheme to control and monitor the world's trade in rough diamonds and to prevent diamonds from being used to finance rebel movements.

At the G-8 summit in 2003, the United States joined other G-8 leaders in committing to a broad-based anti-corruption and transparency action plan that included one component to pilot, on a voluntary basis, an intensified approach to transparency in the extractive industries sector. That G-8 initiative spurred

the negotiation and adoption of the United Nations Convention Against Corruption, signed by 140 countries to date.

In our bilateral assistance programmes, the United States has made the sustainable management of natural resources a component of our development strategies in countries where extractive industries are a major or potentially major revenue source. In particular, we have focused on forests, land, minerals and water and their linkages to violent conflict and post-conflict peacebuilding. The transparent, sustainable management of forests achieves many goals. It can keep timber revenues from being used to finance violent conflict; prevent forests from serving as safe havens for armed groups; ensure equitable access to and benefits from forest resources to reduce the risk of conflicts involving indigenous people, local elites and outsiders; and is essential for sustainable development and the maintenance of healthy ecosystems.

Thirdly, if we adopt innovative approaches, we can make progress. For example, the Liberia Forest Initiative — which the United States launched in 2003 together with the Government of Liberia, other donors and non-governmental organizations — is increasingly viewed as a model for forest reform efforts in Africa and elsewhere.

The United States co-sponsored the Forest Law Enforcement and Governance ministerial meetings in East Asia in 2001, Africa in 2003, and Europe and North Asian in 2005, which have gone a long way towards raising political awareness and commitment to action to address illegal activities in the forest sector worldwide.

The United States is also working across Asia to reduce pervasive forest-related conflicts. In the Philippines, Nepal, Indonesia and Cambodia, we are assisting efforts to clarify forest use rights and land tenure, particularly for poor and indigenous populations. Our work to support the Sava River Commission has brought formerly hostile parties together in several former Yugoslav republics to collaborate in managing a key transboundary resource represented by the water of the Sava River.

Fourthly, the issue of addressing and properly managing natural resources is necessarily related to good governance and transparency. Those are the essential factors needed to delink natural resources from violent conflict. Good governance includes working within the country's financial and judicial institutions, which are responsible for collecting Government revenues from the extractive industries and enforcing contracts and regulatory actions. Good governance also includes civil society participation in deciding how resources are managed and in clarifying resource rights, which is particularly important in post-conflict settings and peace agreements to prevent further eruptions of violence over control of resources.

Finally, together we have made progress, but, as I said before, we still have a long way to go to prevent the struggle over natural resources from fuelling conflict.

It was 10 years ago that the United States had the opportunity to raise this issue during our presidency of the Council. Yet, revenues from natural resources continue to fund violent conflicts throughout the world. For that reason, we welcome the efforts of Foreign Minister De Gucht — whom we welcome and thank for his leadership and for presiding over this meeting — to host this meeting and this opportunity to focus on ways that national Governments and the international community can harness natural resources for productive purposes. We look forward to continuing to contribute to this effort. We expect that this dialogue and the surge of interest in this important issue will continue.

Mr. Spatafora (Italy): It is indeed an honour for all of us to have Minister De Gucht among us here. I would like to thank the President for taking the initiative to convene this debate, as well as for the very lucid, focused and forward-looking concept paper that he has provided. This debate provides a very good opportunity to take up the theme of natural resources and conflict from the perspective of the Security Council while at the same time stressing the importance of the role and experience in this field of the General Assembly and the Economic and Social Council. I would therefore like to extend a warm welcome to Sheikha Al Khalifa and Ambassador Dalius Čekuolis, and thank them for their statements. I would also like to thank Under-Secretary-General Pascoe for his substantial introductory remarks.

Italy fully associates itself with the statement to be delivered by the representative of Germany on behalf of the European Union. Allow me to make just a few additional remarks.

There is no doubt that the mismanagement of natural resources can become a cause of conflict or contribute to fuelling and sustaining an ongoing conflict, especially when it comes to the illegal trade or trafficking of high-market-value resources. Moreover, in the post-conflict phase, lack of good governance in the management of natural resources could create instability, increasing the risk of relapsing into conflict.

In that regard, Italy supports stronger engagement by the United Nations system in preventing the exploitation of natural resources by the parties to a conflict and making the utmost effort to that end, keeping in mind that the issue must also be addressed from the point of view of development and as part of the development agenda. We can benefit a great deal from the lessons learned in cases such as Angola, Liberia and Sierra Leone, where the Security Council responded to the crises by imposing commodity sanctions in a successful and effective manner. Italy also believes that whenever commodity sanctions are in place, peacekeeping operations should be given an appropriate mandate to assist the Government concerned to prevent the illegal exploitation of natural resources from further fuelling the conflict.

As for the post-conflict period, it is fundamental to ensure accountable and transparent management of natural resources in order to generate the financial resources that are needed for reconstruction and development and to let people share in the dividends of peace. In that regard, as other speakers who have taken the floor before me have done, we would like to stress the crucial role that the Peacebuilding Commission could play in this field by assisting the Governments concerned. At the same time, regional initiatives can also play an important role, such as the Protocol against the Illegal Exploitation of Natural Resources, which was adopted last December by the International Conference on the Great Lakes Region.

With regard to the wider range of initiatives that are not directly linked to the Council's own efforts but that make a contribution to the same goal, I would like to underline the importance of the efforts being made in the area of combating corruption, promoting the transparency of revenues and corporate responsibility of private-sector enterprises through initiatives undertaken within the European Union and the G8 framework, to which Italy continues to contribute actively, such as the Extractive Industries Transparency Initiative.

The efforts of the General Assembly with regard to the very issue we are debating here today are of fundamental importance. In that regard, as all other speakers have done, allow me to refer to the Kimberley Process as the best example to date of international cooperation in this area.

Finally, I would like to conclude by referring to the significance of the myriad United Nations frameworks overseen by the Economic and Social Council intended to improve the management and sustainable use of natural resources at the global level. I am thinking not only of major multilateral environmental agreements on climate, desertification and biodiversity, but also of a variety of mechanisms and initiatives, ranging from the Global Compact, to UN-Energy, to the Secretary-General's Advisory Board on Water and Sanitation, and so forth. It might be useful for the future to consider those activities in a more coherent framework, bearing in mind their broader impact on long-term conflict prevention.

Lastly, I think that the idea raised by the Mr. Pratomo, Indonesia's Deputy Minister for Foreign Affairs, with regard to a conference certainly deserves to be explored, especially because, as the Minister implied, the conference should have a focused, comprehensive and action-oriented approach that builds upon what has already been achieved.

Mr. Burian (Slovakia): Let me express our appreciation to Belgium for putting the theme of natural resources and conflict before the Security Council for consideration. We believe that this issue is relevant and important to the work of the Security Council in dealing with various conflicts and post-conflict situations.

My delegation aligns itself with the statement to be delivered later on by the representative of Germany on behalf of the presidency of the European Union. Let me add a few additional comments that my delegation considers it important to underline.

It has been well documented in various Security Council resolutions and through various existing commodity-based sanctions regimes that natural resources often play a role in causing, or even further fuelling, conflicts. Natural resources can also cause a relapse into conflict in situations where the post-conflict management of natural resources is not addressed properly. Illegal exploitation deprives the population of affected States of the wealth that belongs

to them. It is no coincidence that, after years of plundering, post-conflict countries like Sierra Leone, Guinea Bissau, the Democratic Republic of the Congo and Liberia are among to the most impoverished nations in the world.

It would be too simplistic to see the problem of the illegal exploitation of natural resources as a separate or isolated issue. We have witnessed a number of conflicts where the absence of the rule of law, the presence of undemocratic and unaccountable Governments and weak security services have helped the illegal exploitation of natural resources to flourish. Therefore, issues like democracy, good governance, the rule of law, transparency and fair distribution of revenues and security-sector reform are inextricably linked to the problem we are discussing today.

It is especially important that in post-conflict States resources are transformed into a positive tool that can be used to encourage peace and stability and to contribute to development and post-conflict recovery. In that regard, we believe that peacebuilding initiatives should address the reform of resource management at an early stage in post-conflict situations and peacebuilding. The management of resources must be more transparent, efficient and equitable, and subject to both the rule of law and good governance. In that regard, it will be important for the Peacebuilding Commission to pay special attention to the issue of natural resources in its efforts to manage post-conflict situations.

Through resolution 1625 (2005), the Security Council has already reaffirmed its determination to take action against the illegal exploitation of, and trafficking in, natural resources and high-value commodities in areas where it contributes to the outbreak, escalation or continuation of armed conflict. In that regard, the Security Council should closely monitor and analyse the role of resources in conflicts that are on the agenda of the Council and take the necessary action.

One of the crucial areas of the Security Council's responsibility in this field is related to the implementation of sanctions regimes.

Sanctions can be instrumental in limiting the scope of a conflict and maintaining and restoring peace and stability. At the same time, sanctions should be utilized with much more prudence so as not to further degrade the humanitarian conditions of the victims of the conflict. In the field of individual sanctions more should be done to target those who benefit from the illegal exploitation of natural resources. There is also scope for doing more to improve the effectiveness of sanctions regimes. Let us in this regard recall the valuable work performed by the working group on general issues of sanctions.

Last, but not least, the international community as a whole, and neighbouring countries in particular, have a crucial role to play in ensuring that resources are not used to sustain intra-State wars, or even begin wars. Much more attention needs to be paid to cross-border smuggling and trade in natural resources. International mechanisms, such as the Kimberley Process Certification Scheme or the Extractive Industries Transparency Initiative, should be further promoted.

There is another important question: the impunity of those responsible for looting minerals from resource-rich countries. These individuals should be prosecuted alongside those who are being brought to justice for major violations of human rights or international humanitarian law.

This all underlines the importance of today's thematic debate on natural resources, further supports the shift concerning natural resources and conflict from country-specific treatment to thematic consideration by the Security Council and points to the need for a more integrated role of the Council in this field and a more coherent United Nations approach.

To conclude, we support the draft presidential statement prepared by the Belgian presidency, and we support further Security Council discussion on natural resources and conflict and on ways of improving the United Nations response in this respect.

Sir Emyr Jones Parry (United Kingdom): Mr. President, let me start by welcoming your presence with us, which underlines the importance of the debate on this subject, and by thanking your team for the very careful way in which they have prepared for these discussions.

I thank Under-Secretary-General Pascoe and the Presidents of the General Assembly and the Economic and Social Council for their insights and, if I may, align myself with what the German Ambassador will shortly say on behalf of the European Union.

I wish first to recognize that, for many countries, the transparent, well-regulated exploitation of natural resources is the engine of economic growth and represents opportunity for their populations. That is very welcome, but it is not the responsibility of this Council. What we think is right is that the Council should examine the links between natural resources and conflict, which are real and varied, and opine on that link.

Natural resources may cause conflict by being a target for rebels or aggressors. They may sometimes be the trigger for violent disputes over economic advantage. Poor governance of natural resources has been shown to increase the likelihood of conflict by making Governments less reliant on revenue from income tax. This may weaken the responsiveness of a Government to the needs of their population. And, in some circumstances, natural resources may sustain existing conflicts by being a source of financing for belligerent groups. The issues are complex, as this Council has recognized in its discussion of specific country cases previously.

The United Kingdom is committed to taking action to address these relationships at a number of different levels. The United Kingdom Government paper entitled "Preventing Violent Conflict", which was issued in April of this year, committed us to

> "work with the international community to tackle the common factors behind instability and violent conflict, including the trade in conflict resources, whether timber, diamonds or other minerals".

And, in London, a cross-Government task force is coordinating our actions on these areas.

We also support existing efforts, such as the Extractive Industries Transparency Initiative and the Kimberley Process, each previously addressed by colleagues. And we provide bilateral support for capacity-building projects for the mediation of resource disputes in various countries and regions, including in Ghana, Nigeria and the Middle East. These regulatory approaches are important in promoting transparency and accountability, but the role of natural resources in conflict goes well beyond the use of finance to support warring parties. Links between natural resource revenues, bad governance and violent conflict need to be tackled primarily through the reform of political systems and structures of governance. This requires responses tailored to individual situations, involving Governments, the international community, the private sector and civil society, and we should base those responses on further analysis of how natural resources affect and influence the action and capabilities of all parties.

We believe that there is a need for a coherent international approach in each situation. And we welcome the language in the proposed presidential statement to be adopted at the end of today's meeting, which echoes this point.

We also need to consider the role of the Security Council in this context, both in enhancing the work of others to prevent conflict by addressing the issue of governance and in taking the lead to restore peace and security when conflict has occurred. When the Council prepares the mandates and activities of peacekeeping operations, we believe that it should assess the role of natural resources in the conflict and the destabilization that may arise as a result of misuse and competition. That dimension should be considered, and the Council should decide whether or not it is relevant in the context of a proposed mandate for a peace support operation.

The Security Council is therefore required, we believe, to make an assessment of the role of natural resources in the conflict, to discuss appropriate actions to take, and to examine the impact of missions themselves. This is not Council encroachment. The economic benefits of developing resources are not for the Council — let me repeat — but, as appropriate, they would be for the Peacebuilding Commission and other bodies, which could consider the contribution that resources make.

A permanent centre of expertise within the United Nations on issues related to conflict and natural resources might indeed be a useful way of bringing more coherence and defining a clearer policy framework for United Nations action.

We believe that these pragmatic steps could enhance the role of the Security Council in coordinating and enhancing international action. Furthermore, the Council should continue to work on these issues following our debate today.

Mr. Churkin (Russian Federation) (*spoke in Russian*): Mr. Minister, we are pleased to welcome you as President of the Security Council and to

congratulate you on Belgium's successful presidency of the Council this month.

In regions of crisis, particularly in States in which the proper mechanisms for regulating of the use of natural resources are insufficiently developed, problems arising from illegal operations can lead to armed confrontation and the escalation of conflict. Combating the illicit use of natural resources is, first and foremost, the prerogative and obligation of the Government of the State concerned.

The way to tackle the problem, we believe, is to strengthen State structures, including through reform of the security sector, development of the judicial system and of border and customs control, and the eradication of crime and corruption. The primary role of the United Nations in this process should be to help States, at their request, by providing political and advisory support. The sanction mechanisms of the Security Council and their expert groups contribute in that context, in those cases where the relevant crisis situations are before the Council. We should be guided in that by the Charter principles of non-interference in internal affairs, sovereignty, territorial integrity and the political independence of States.

It is important to maintain a balance between the efforts of the international community to prevent the fuelling of armed conflicts through the illegal exploitation of natural resources, and the strict observance of the sovereign right of States to use their natural resources and to their own national policy on the use of natural resources. A positive example of that is the adoption by the States of the Great Lakes region of the Pact on Security, Stability and Development in the Great Lakes Region and the protocol on combating the illicit exploitation of natural resources within it.

A substantial role in the settlement and resolution of the armed conflicts in Sierra Leone, Liberia and Côte d'Ivoire has been played by sanctions regimes introduced by the Security Council regulating the export of diamonds and valuable timber by those States. At the same time, in the sanctions practice of the United Nations it is important that we continue to be guided by criteria for the lifting of sanctions and for the consideration of the humanitarian consequences.

Today's theme is broad and goes beyond the competence of the Security Council. Its further consideration should involve the relevant specialized bodies of the United Nations system, including the Commission on Sustainable Development and the Second Committee of the General Assembly. Establishing productive interaction between those bodies will favour an effective solution to the problems we are considering.

The President: We have come to the end of the list of members of the Security Council. I will now make a statement in my capacity as representative of Belgium.

(*spoke in French*)

Like other members of the international community, Belgium attempts to make its contribution to the international response to the problem of the exploitation of natural resources in a number of ways. We were one of the pioneer members of the Kimberley Process, and we participate actively in it. The last meeting of the Process was held in Brussels just a few weeks ago. Moreover, Belgium recently decided to make an important contribution to the International Tropical Timber Organization initiative, and a year ago we set up a scientific task force, on Mineral Resources in Central Africa, to study the feasibility of tracking mechanisms for copper and cobalt in Katanga.

Last February, we organized an international conference on the sustainable management of forests in the Democratic Republic of the Congo, and we decided to bring that matter to the agenda of the Council today. In organizing the debate, Belgium hoped to achieve two objectives. The first is that the Council should in general recognize that natural resources can be a destabilizing factor and reaffirm the central idea that good governance of natural resources is important, not only for development but also for peace and security. That is particularly true in countries emerging from a conflict in which natural resources were a factor.

In the Congo, it is essential that the exploitation of the enormous natural wealth of the country benefit the entire population, if we wish to see lasting stability and avoid a relapse into civil war in the near future. Liberia has understood that well and has made the management of natural resources a central element of its (GMAP) programme of assistance for rebuilding the country. That is also true more generally in institutionally fragile countries that are facing the need to manage their wealth in natural resources, such as Timor-Leste. Those countries need international support to ensure that their natural resources will be an opportunity for them, and not a curse.

Having said that, it is clear that I am not advocating that the international community become involved in the management of the natural resources of each country. That, of course, remains the responsibility of national authorities. On the contrary, it is a question of strengthening that responsibility and making sure that the exploitation of natural resources does not escape State control nor be used against the State. Setting up mechanisms for international cooperation can help in achieving that objective.

We must also make accountable the various actors involved in the exploitation of natural resources accountable, in particular the private sector. Cooperation and accountability are at the heart of the initiatives I have already mentioned. In the same spirit, it is necessary to give greater thought to mechanisms for certification or for tracking certain commodities, as Belgium is doing today for certain minerals in the Congo. We must also promote the efforts of institutions such as the World Bank to provide assistance and targeted advice on the management of natural resources.

Why do we wish to discuss the topic in the Security Council? Once again, it is obvious that the Council is not attempting to provide any kind of guardianship over efforts not related to its competencies and which are better placed with other organs, national or international. But those initiatives have an impact on international peace and security, and that is the primary responsibility of the Council. The Council has a duty to promote awareness of the fact that security and development are linked, and to encourage all actors involved in managing natural resources to bear that in mind. It is therefore up to the Security Council to highlight complementarity between those initiatives and its own actions and to encourage them so they can contribute to peace.

I now come to my second objective: consideration of the Council's own actions. The Council is no stranger to the question of the role of natural resources in conflicts and in the past it has used some of its instruments for responding to that issue. However, such action can be reinforced and made more systematic. In the management of conflicts, the Council should examine earlier on whether or not the dimension of natural resources needs to be taken into account.

For example, groups of experts have proved to be a useful instrument in shedding light on mechanisms by which natural resources can be exploited in order to fuel conflict, but the quality of their work is uneven. It should be possible to build within the Secretariat a more permanent centre of expertise to support their work. That question must also be raised when drafting the mandates of peacekeeping operations, which could include a specific expertise component, when required. Moreover, the Security Council could pay greater attention to the complementarity between its actions aimed at peace and security and the post-conflict phase, where reconstruction and development become the central objectives. We must consider further, in particular, the conditions to be met for lifting a specific embargo. Undoubtedly, there is still work to be done in cooperation with the Peacebuilding Commission.

I am particularly pleased that this discussion has taken place. It would be useful to pursue it in greater depth in the future, not only in the Council but elsewhere as well. Although we may have differences of opinion on certain specific aspects of the problem, I hope I can count on the support of all Council members in that respect.

I now resume my functions as President.

I now call on the representative of Germany.

Mr. Von Ungern-Sternberg (Germany): First of all, Mr. Minister, I would like to join others in welcoming your presence at this very important meeting.

I have the honour to speak on behalf of the European Union (EU). The candidate countries Turkey, Croatia and the former Yugoslav Republic of Macedonia and the countries of the Stabilization and Association Process and potential candidates Albania and Montenegro, as well as Ukraine, the Republic of Moldova, Armenia and Georgia, align themselves with this statement.

The theme of today's debate has many aspects: prevention of the conflict, crisis management, sanctions regimes, peacekeeping operations, peacebuilding, governance and cooperation among various actors at the national and international levels. Let me share our perspective and explain some of the activities of the European Union in this field.

The European Union recognized at an early stage the importance of addressing the exploitation of natural

resources as a cause of and factor contributing to conflicts. We welcome the fact that the Security Council has tried to limit the disastrous effects that the improper exploitation of resources can have in conflict-prone situations. Imposing sanctions on commodities such as diamonds and timber helped to end conflicts in Angola, Liberia and Sierra Leone.

There is still room for improving the effectiveness of sanctions by coupling them with other measures so that, together, they can better limit the scope of a conflict or even bring an end to it. Making greater use of past experience, for example, by strengthening the institutional memory within the United Nations Secretariat and the various groups of experts could be one element of improvement.

Despite the positive effect of the Kimberley Process on the exploitation of "blood diamonds", we face new risks. The number of oil-producing countries with poor populations is increasing, especially in Africa. Some of those States are extremely fragile, with rebel movements contesting the authority of the Government. Here, the United Nations as a whole, including the Security Council, has an important task: monitoring such situations before a conflict can break out.

As water is becoming a scarce resource sought after by competing users in some parts of the world, an integrated approach to its management can also foster security and stability. The EU Water Initiative contributes to sustainable development and the peaceful use of this essential resource.

An important question is: under what circumstances should a natural resource be considered a so-called conflict resource? The Secretariat could possibly provide some guidance in that respect. A common understanding of the issue would certainly help to shape a more coherent approach on the part of the international community.

Good governance is key to preventing conflicts over the sharing of revenue derived from natural resources. Therefore, the EU promotes transparency and responsible management of resources. The Governance and Economic Management Assistance Program in Liberia is a good example of how better accountability can contribute to stabilizing a country in a post-conflict situation. We think it has helped the Liberian people, because, with improved oversight, more money remains in the State budget.

Obviously, it is not only States that can contribute to improving the proper governance of natural resources; producers, traders and consumers are also key actors. Monitoring and certification schemes such as the Kimberley Process, currently chaired by the European Commission, play an important role in preventing the use of revenue derived from natural resources for conflict purposes.

The EU is also committed to initiatives aimed at improving revenue transparency, such as the Extractive Industries Transparency Initiative, which receives funding from the European Commission. The endorsement of that initiative by the Security Council and the General Assembly would certainly be very welcome. We have also started integrating provisions aimed at supporting good governance of the mining sector into some of our country programmes, such as that for the Democratic Republic of the Congo.

Obviously, accountable and transparent natural resource management is also important during the post-conflict phase. Peacekeeping and peacebuilding activities need to take due account of that concern.

A conflict resources facility will shortly be developed within the new EU Stability Instrument so that we can better tackle resources and conflict as a cross-cutting issue. Our goal is to make resources a catalyst for development in commodity-rich countries. We will pursue those aims in close cooperation with the United Nations system and other relevant actors. Therefore, we welcome the draft presidential statement to be adopted today, and we look forward to follow-up on a more coordinated approach by the United Nations and the regional organizations and Governments concerned.

The President (*spoke in French*): I now call on the representative of Switzerland.

Mr. Baum (Switzerland) (*spoke in French*): I thank you, Mr. President, for convening this open debate, because the issue of natural resources and conflict is important to Switzerland. We also thank you for the high quality of the document (S/2007/?34) with which you have provided us.

There is no doubt that natural resources are among the principal factors causing many armed conflicts. The issue is broad and complex. Different types of natural resources give rise to different challenges, which also vary in terms of the local or

regional context and the actors involved. I shall thus confine myself to highlighting a few aspects, and my statement will focus on six points.

First, if we want to resolve a conflict, we must know its root causes. The Security Council should thus have a well-informed discussion and identify the sources of a conflict before taking a decision. The Secretary-General should inform the Council about the links between natural resources and conflict in general and, if necessary, examine that relationship in country-specific reports.

Secondly, conflicts are often financed through the exploitation of natural resources. The Security Council has made much progress in formulating sanctions capable of reducing the revenue of armed groups in specific conflicts. It has imposed embargoes on some resources, such as oil, diamonds and timber. The case of Liberia has shown that the parties to the conflict rely on various resources to finance their activities. The Security Council must thus be prepared to react swiftly to changes in the way in which armed groups obtain their revenue.

Thirdly, the Security Council could considerably strengthen its sanctions regimes by always providing its experts and monitoring groups with clear mandates and precise terms of reference, as well as adequate administrative support from the Secretariat. It should devise tools to improve coordination among those groups, establish institutional memory, create best practices and take advantage of lessons learned.

Fourthly, sanctions are not a panacea. The link between conflict and natural resources generally arises in States with weak institutions. Therefore, sanctions must include a comprehensive strategy to fight corruption, rebuild institutions, re-establish the rule of law and diversify the economy.

In addition, when establishing a United Nations peace mission, the Security Council should examine the usefulness of creating an environment and natural resources management unit, as in, for example, the case in Liberia. Moreover, new legal and economic instruments may have to be developed to specifically target the illegal exploitation of natural resources. Existing instruments such as the Kimberley Process and the Extractive Industries Transparency Initiative have set good examples in this regard.

Fifthly, wealth-sharing is a pivotal question in peace negotiations. Prime examples are the wealth-sharing clauses in the Sudan Comprehensive Peace Agreement or the Aceh Memorandum of Understanding. The question of wealth-sharing in peace processes is essential to ending conflict, and also in providing the signatories with the necessary means for beginning post-conflict reconstruction. As such, it should facilitate the transformation of war economies into peace economies for beginning the benefit of the civilian population, which pays the highest price in conflicts.

Political power-sharing without wealth-sharing will lead to a fragile peace agreement that is likely to fail. Therefore, greater efforts are needed to pool experience on the role of wealth-sharing, especially at the local and community level where the exploitation of natural resources happens. Here, the Mediation Support Unit within the Department for Political Affairs could play an important role, on condition that it is provided with the necessary resources and support.

Sixthly, Switzerland is concerned about the risks arising from overexploitation of renewable natural resources. Water and soil should receive greater attention in the context of conflict prevention. Scarcity of these resources and their mismanagement, and lack of equitable access to them, can lead to famine, forced migration, poverty, political instability and eventually to armed conflict. We must develop measures to deal with those potential causes of conflict. One measure could be to promote integrated water resources management rather than focusing mainly on increasing the availability of water. Another measure relates to the promotion of property rights. We should further explore lessons learned in setting up and implementing suitable property rights systems, which must also take the local customary practices into account if they are to be effective. The work of the Commission on Legal Empowerment of the Poor, and in particular of its Working Group on Property Rights, should be taken into consideration in this undertaking.

Let me conclude by underlining that consumption patterns in industrialized countries can result in scarcity and in price increases of natural resources. This in turn raises the risk of conflict and is an incentive to the illegitimate control or illegal exploitation of these commodities. Therefore, efforts must be made to reduce global consumption of those

particular resources, such as oil, gas, and water, to an equitable and sustainable level.

The President (*spoke in French*): I now give the floor to the representative of Tunisia.

Mr. Hachani (Tunisia) (*spoke in French*): I have the honour to speak on behalf of the African Group. I wish at the outset to thank you, Mr. President, for organizing this debate on such an important issue. I would also like to congratulate the Belgian presidency of the Security Council for having chosen to highlight the link between natural resources and conflict. This issue is, in fact, at the crossroads of international peace and security, development and protection of the environment. Those themes are intimately linked and must be tackled together.

Even though no country is safe from this scourge, developing countries are generally the most affected by the consequences of illegal exploitation of natural resources. We should recall that the 1992 Rio Conference on Environment and Development raised awareness about the fragility of our natural resources. This was reaffirmed at the Johannesburg World Summit on Sustainable Development of 2002, where a call was made to improve the quality of life for the world population without increased utilization of natural resources beyond our planet's limits.

The Security Council is certainly not the only body focusing on this issue. In that regard, it is important to remember that since 1988 the General Assembly has been considering the causes of conflict in Africa and stressing the complexity of the multidimensional and interdependent problems of our continent.

Africa has long been aware of the importance of natural resources to its development and stability; in 1968 it adopted the Algiers Convention on conservation, which was revised in 2003. Since its creation in 2002, the African Union has demonstrated its authority by addressing the numerous challenges facing the African continent. Among these, the quest for peace and security is undoubtedly the most pressing. Indeed, during the last few years, the number of violent conflicts has diminished considerably, and significant progress has been achieved thanks to the determination and collective efforts of African countries. The situations in countries including Sierra Leone, Liberia, Burundi and the Democratic Republic of the Congo are examples of this encouraging tendency. However, too many African countries are still affected by the pernicious cycle of conflicts and their destructive consequences.

The underlying causes of conflicts in Africa were determined in the former Secretary-General's report published in 1998 (S/1998/318) in which he tried to set out the dynamics of conflict by distinguishing between facilitating factors, mobilizing factors, triggering factors and deep-rooted causes. In this picture, the illegal exploitation of natural resources appears both as a cause of conflicts and as an exacerbating factor in ongoing conflicts. Hence the complexity of the problem and the difficulty to understand it, especially if more effective action is to be undertaken to prevent conflict and restore peace.

Aware of the link between conflict and natural resources, African countries and their international partners are making increasing efforts to break this link, in order to achieve peace and development on the continent. By arousing greed or by financing military operations, natural resources have played a negative role in several wars in different parts of the world, mainly in Africa, with its unlimited natural wealth. This is a fundamental challenge, the consequences of which have an impact on peace, security and sustainable development in affected countries.

Conflict diamonds are probably the best-known symbol of the link between resources and conflict. In this regard, we would like to express our appreciation for the interest that the United Nations has consistently shown in the problem of conflict diamonds. In December 2000, the General Assembly launched an international certification programme for rough diamonds — the Kimberley Process — aimed at tightening control of the diamonds trade and preventing the marketing of war diamonds. Initiated by several African countries, mainly those affected by the illicit trade of diamonds, the Kimberley Process is the main international initiative to formulate practical measures to deal with this issue.

Other national and regional initiatives aimed at restricting the illicit trade in other natural resources have also been put in place. This normative process began thanks in part to the efforts of a number of States and regional groups, particularly in Africa. All these efforts should reinforce national and international control measures aimed at preventing natural resources being used to finance warmakers.

The situation of African countries emerging from conflict deserves particular attention. Mechanisms must be set up to assist the countries concerned in promoting the responsible management of resources and in ensuring the equitable distribution of wealth among all stakeholders in order to minimize the likelihood of the resumption of conflict. In paragraph 55 of his report on the implementation of the recommendations contained in the report of the Secretary-General on the causes of conflict and the promotion of durable peace and sustainable development in Africa (A/61/213), the Secretary-General notes that:

> "Inadequate global economic and financial regulations, high profit margins and weak administrative and technical capacity in a number of African countries make managing the natural resource sector particularly difficult."

In conclusion, an important prerequisite for conflict prevention is mobilization on the part of international community to assist developing countries in their efforts to manage their natural resources in a sustainable manner in order to promote their development processes. Bilateral cooperation institutions, donor organizations and other international bodies should provide greater assistance to African countries in order to strengthen their management capacities in the area of natural resources. Such assistance could involve helping to enhance national capacities and structures in the economic, administrative and customs-related areas and establishing new follow-up mechanisms for the extraction industries.

The international community must act collectively to ensure that natural resources are no longer a threat to peace but an asset to development.

The President (*spoke in French*): I now call on the representative of Senegal.

Mr. Badji (Senegal) (*spoke in French*): Allow me at the outset warmly to congratulate Belgium on its timely initiative to propose a process of reflection and a public debate of the Security Council on the problem of natural resources and conflicts.

Be it water, oil, diamonds or timber — to mention just a few types of natural resources — in many instances those gifts of nature, whose exploitation and development revenues should have helped to improve the social welfare of peoples, have instead brought misery to those same peoples.

In paragraph 65 of his report (A/59/285) dated 20 August 2004, entitled "Implementation of the recommendations contained in the report of the Secretary-General on the causes of conflict and promotion of durable peace and sustainable development in Africa", the Secretary-General states:

> "The management of natural resources deserves further attention on the continent and by the international community."

He adds in paragraph 66 that:

> "As most of the intractable conflicts on the continent come to an end, the durability of peace will depend greatly on the capacity of each new Government to take control of the natural resources and manage the wealth of the State in a transparent and accountable manner that will benefit its people."

That excerpt from the report of the Secretary-General highlights one of the problems related to a country's natural resources — namely, their responsible, equitable and productive management at the economic and social levels.

However, the difficulties arising from the existence of natural resources in a State go beyond good governance or good management and involve a number of other actors such as neighbouring States or importing States, which may be interested in those natural resources, as well as multinational companies and other non-State actors, which are often intimately involved in the exploitation of such resources.

The diversity and number of interested actors further complicates the question before us and suggests that to deal with it effectively, the international community should adopt, in each case, a comprehensive strategy that encompasses all of the actors that have been determined, or are assumed, to be involved.

Any strategy for dealing with this problem should also take into account important data such as rapid environmental changes, allocation of revenues generated by the exploitation of natural resources, and changes in consumption patterns that exacerbate resource scarcity and promote cut-throat competition among the actors.

Under these circumstances, we deem it important that the international community stress dialogue, consultation and mediation among the actors concerned. The latter should be encouraged to place the common interest over their particular interests.

In the case of countries in the grip of civil war or faced with a rebellion, the international community should ensure that revenues deriving from the exploitation of natural resources are not used to finance the activities of the conflicting parties. In that respect, the Security Council should continue to be stringent in the imposition and implementation of individual sanctions, such freezing the assets or restricting the movement of certain belligerents. In several cases, particularly in Africa, such sanctions have proved effective and decisive.

We also welcome the launch of the Kimberley Process in 2000. That programme, which enjoys the support of the United Nations, is aimed at putting an end to the illegal trade in diamonds and other precious stones coming from conflict zones. In the context of that programme, all diamonds coming from participating countries must be accompanied by a certificate of authenticity indicating their origin.

However, the Kimberley Process's weakness lies in the fact that it is not binding and depends on the goodwill of States, companies and diamond traders. That goodwill is not always present.

That is why it may be time for the international community to consider ways and means by which the aforementioned sanctions could be expanded to certain multinational companies whose conduct is not always beyond reproach.

We should like here to encourage the initiative launched in 2002 by a coalition of 300 non-governmental organization and civil society groups which are carrying out a campaign entitled "Publish what you pay", aimed at encouraging multinational oil companies to be more transparent as regards the modalities of their contracts in Africa and elsewhere.

We wish also to stress the importance of the Extractive Industries Transparency Initiative — launched in 2003 by the British Government — which is aimed at improving management of the revenues emanating from oil, gas and the extractive industries. The primary goal is to encourage multinational companies to be more transparent and accountable in that respect.

All this more than demonstrates that any strategy to control the link between natural resources and conflict, if it is to be effective, should involve multinational companies upstream and down. Moreover, we should responsibly acknowledge that the international community, and the Security Council above all, ought to be more attentive to the actions of certain States that, coveting the natural resources of other countries, do not hesitate to foment instability in the latter by supporting rebellions or by fuelling and perpetuating civil war. Such actions are contrary to the United Nations Charter and demand a forceful reaction if we do not wish the race for increasingly rare natural resources to pose a serious threat to international peace and security.

Finally, given the growing scarcity of certain natural resources that remain necessary to the functioning of our industrial civilization, the international community should continue to consider the best way to promote alternative energies. Such action, if decisive, would reduce the heavy pressure on existing natural resources and have an impact on the conflicts and tensions which the pernicious misuse of revenues from the exploitation of such resources might give rise to.

The President (*spoke in French*): I call on the representative of Egypt.

Mr. Elbakly (Egypt) (*spoke in Arabic*): At the outset, allow me to welcome you to New York, Sir, and to express our pleasure at seeing you preside over this meeting.

We also welcome this open debate and the efforts of the Security Council, along with the General Assembly and the Economic and Social Council, to prevent the use of natural resources to ignite and fuel conflicts. The Egyptian delegation would like to associate itself with the statement of the Permanent Representative of Tunisia on behalf of the African Group on this issue.

Undoubtedly, the link between natural resources and conflicts lies at the very centre of the intersection between the prerogatives of the General Assembly and the Economic and Social Council on an equal footing with the Security Council, each within the limits of its responsibilities as set forth in the Charter of the United

Nations. Such a matter requires us to address the issue in all its aspects through full coordination and transparency among the three principal organs in order to ensure the complementarity of our efforts and the effectiveness of international action to prevent the illegal exploitation of natural resources from inflaming conflicts and to orient the use of those resources towards the realization of sustainable development and peoples' aspirations to peace and prosperity.

The proliferation of the trade in small arms and light weapons is intricately correlated with the illegal exploitation of natural resources in the African continent. That is especially true of oil, diamonds and tropical timber, which are controlled by some States, individuals and arms brokers in a manner that endangers African States' capacity for socio-economic development; leads to the spread of disease, poverty and unemployment; and diminishes their institutional capacity and the pillars of their economic infrastructure. That highlights the need for the international community to make concerted and collective efforts to confront a phenomenon that undermines all efforts to control conflicts. It also contributes to the frustration of the efforts of the Security Council in conflict areas, and those of the General Assembly, the Security Council and the Economic and Social Council in post-conflict peacebuilding.

In that context, the United Nations must act more effectively and seriously and develop creative methods to achieve the objective of maintaining international peace and security, particularly in Africa. While we appreciate the Security Council's eagerness to dispatch special missions to conflict regions and to establish direct communication channels with the parties to conflicts and to mediate between them, as well as its determination to coordinate with the peace and security structures of the African Union, we foresee that more will need to be done to settle and contain conflicts in a manner that addresses their root causes and decreases dependence on arms as a means of resolving disputes and conflicts, while reinforcing the ability of the Council to implement the collective security system prescribed in the Charter.

According to the outcome of the United Nations Expert Group meeting held under the theme "Natural resources and conflict in Africa: transforming a peace liability into a peace asset", which was hosted by Egypt in June 2006, the main approach to developing methods to deal with conflicts in Africa and other regions of the world is based on lessons learned. Those lessons highlight the fact that prevention is better than exorbitant cure, and that there is a need to expand cooperation and coordination and to establish a real partnership among the Security Council, the General Assembly, the Economic and Social Council, regional and subregional organizations, and the United Nations agencies, funds and programmes dealing with the development aspects of the causes of conflict.

Such long-sought cooperation between the international and regional systems represents, in our view, an effective early warning mechanism that would protect all peoples from the atrocities of conflicts and their destructive impact on the socio-economic and political infrastructure, the rule of law and respect for and reinforcement of human rights. The starting point in that regard, in light of the outcome of the Cairo meeting, is strengthening national capacities for the management of natural resources in order to ensure their optimal utilization, based on the principle of permanent sovereignty over natural resources, as set forth in the Charter and reiterated by the General Assembly in its resolution 1803 (XVII) of 1962.

It follows that the international community must address conflicts holistically in all their political, social and economic dimensions, and in a framework that harmonizes the security and political efforts of the United Nations with the reconstruction and rehabilitation of the infrastructures of States emerging from conflict. That is particularly pertinent as regards the implementation of programmes for institutional capacity-building; the disarmament, demobilization and reintegration of ex-combatants in civilian life; demining; control of illicit trafficking in small arms and light weapons; and the contribution to sponsoring national reconciliation processes and to laying the foundations for reconstruction and sustainable development. It will surely require continued international financial support to enable those bodies to undertake difficult and critical peacekeeping and peacebuilding missions in various regions.

From that perspective, Egypt welcomes the efforts of the Peacebuilding Commission to reformulate the role of the United Nations in dealing with the cases of such States in a manner that transcends the traditional dimensions of peacemaking and peacekeeping to achieve a balanced and comprehensive vision for the transition from conflict to

reconstruction and sustainable development. That will require a holistic and multidimensional approach that rests on strengthening the institutional and human capacities of those States and emphasizes the principle of national ownership, without attempting to impose trusteeship or conditionalities, and coordinates international and regional efforts with the participation of civil society and all relevant stakeholders towards achieving that objective.

Clearly, our work to prevent the draining of the natural riches of countries in conflict in exchange for weapons that fuel the continuation and escalation of such conflicts requires a special effort from the arms-producing countries to guarantee their commitment to international controls and to their legal and moral obligations. It also requires the General Assembly to continue to develop international arrangements regulating arms tracing from the producers to conflict situations and standardizing the rules of trade and brokering.

Natural resources must remain the basis for economic development and the realization of the aspirations of future generations. They must not be exploited so that States, individuals and corporations can make greater fortunes. The Security Council will therefore have to depart from a narrow framework in dealing with this issue and extend a hand of cooperation to the General Assembly and the Economic and Social Council in order to undertake collective efforts that will serve to realize our common goals.

In conclusion, we cannot fail to state the importance of giving serious consideration to the proposal made today by the representative of Tunisia: to hold an international conference on this issue. Such a conference should take place in the context of the General Assembly and should address all aspects of the issue.

The President (*spoke in French*): I now give the floor to the representative of Argentina.

Mr. García Moritán (Argentina) (*spoke in Spanish*): I thank the delegation of Belgium for having chosen the subject the maintenance of international peace and security for today's open debate of the Security Council. I would also like to thank Mr. Pascoe, the President of the General Assembly and the President of the Economic and Social Council for their statements.

There is an undeniable link between development and international stability, or, to put it another way, between poverty, instability and conflict in the context of domestic and international relations. It is noteworthy that many of the countries that have experienced conflict in recent years are rich in such natural resources as diamonds, gold, timber, oil and copper, to name but a few. Paradoxically, the exploitation of those sources of wealth has contributed to fuelling or prolonging conflicts. Especially in some regions of Africa, armed groups often use those resources to finance their activities and defend the territories where those resources are located from State control. Likewise, a country's entire dependence on its natural resources generally results in great vulnerability, given that an economy centred on a single element has a higher risk of experiencing ongoing economic crises once international conditions for that commodity worsen. The result of that is an increased chance that conflict will break out.

During its membership of the Security Council, Argentina therefore supported the imposition or continuation of embargoes on diamonds and timber from certain countries on the agenda of the Council in which resources were being used by armed groups to finance their activities. Argentina has also supported the Kimberley Process to establish an international system of certification of the origin of raw diamonds that would make it possible to lift embargoes from States once they could guarantee the source of diamonds, so that the income generated from that resource could help those countries attain sustainable development, which would help them to avert a relapse into conflict during the peacebuilding phase.

An objective mechanism is in place for diamonds, namely, the Kimberley Process. However, with regard to other natural resources, in order to make the transition from sanctions imposed on a country to the lifting of sanctions during the peacebuilding stage, there is a need for greater cooperation and coordination among the Security Council, regional organizations and the Peacebuilding Commission so that the Commission's assistance to countries in conflict can make it possible not only for the Council to lift sanctions in connection with the exploitation of natural resources but also for natural resources to become a source of sustainable development for the Governments in question.

With regard to the mandates of peacekeeping operations, the Secretary-General's recent comprehensive report on strengthening the capacity of the Organization to administer and support peacekeeping operations underscores the fact that the complexity of mandates has resulted in an increase in the number of integrated missions. The report proposes the establishment of integrated operational groups comprising officers from various United Nations departments. The groups would be responsible for day-to-day support for all aspects of peacekeeping operations, including the coordination and preparation of recommendations for the planning and implementation of policy strategies and the achievement of integrated operational objectives. With regard to peacekeeping operations in countries where illegal exploitation of natural resources is taking place, we believe that these integrated operational groups could also include experts in the area of natural resources, so that the Secretariat's recommendations could also serve to adjust the mandates of peacekeeping operations in that regard.

We would also like to emphasize that the Security Council's authority to impose sanctions on the illegal exploitation of natural resources in countries that are on the Council's agenda due to a specific conflict that threatens international peace and security is clearly among the powers conferred upon the Security Council by the Charter of the United Nations. Nevertheless, the situation would be different if the Council were to determine that preventive intervention were necessary due to a potential risk that exploitation of a given country's natural resources could in the future lead to a conflict that could pose a threat to international peace and security. That would violate the principle of non-intervention in the internal affairs of States that is set out in the Charter of the United Nations, because the basis for intervention would then be the remote consequences that the sovereign actions of a country could possibly have for international peace and security.

The President (*spoke in French*): I now give the floor to the representative of Japan.

Mr. Shinyo (Japan): I would like to begin by expressing my thanks and appreciation to Mr. Karel de Gucht, Minister for Foreign Affairs of Belgium, as well as the Belgian delegation, for having taken the initiative to organize this timely debate on natural resources and conflict. Let me also express our appreciation for the diligent and expert preparations undertaken in advance of this meeting through the holding of seminars and the drafting of a concept paper (S/2007/334, annex).

We are aware that this is the first time that the Security Council has held a thematic debate on this topic. We recognize that the proper management of natural resources is a very significant issue relating to the various phases of conflict, including conflict prevention, conflict management, post-conflict peacebuilding and recovery and reconstruction. With that in mind, we appreciate the fact that the concept paper has been organized in such a way as to present the necessary viewpoints to the problem while incorporating the direct and indirect influence of natural resources on conflicts.

With regard to the appropriate approach to addressing this issue, I would like to point out the following three elements.

First, several initiatives are already under way in this area in the international community in order to address various issues, in particular efforts aimed at improving governance from different perspectives. Many stakeholders, including international organizations, Governments, businesses and civil society, are involved in those initiatives. In order for such efforts to be more effective, it is essential for each of those sectors to take a serious approach to this problem and study it in a systematic way.

Secondly, we must promote better use of existing initiatives. To that end, it is necessary to encourage the participation of a greater number of countries, including those with emerging economies, in such initiatives as the Extractive Industries Transparency Initiative and the Kimberley Process. In that regard, we should also give due attention to the efforts of the International Tropical Timber Organization (ITTO), which has been implementing measures to halt illegal logging and providing support for better governance in tropical forest regions. Last month, Liberia expressed its intention to be reintegrated into the ITTO, and we look forward to expanded participation in the ITTO by other nations. With particular regard to the issue of governance in post-conflict countries, we believe that it is important to make the best use of existing international organizations that have the requisite knowledge and experience in this area.

Thirdly, given the fact that, in many cases, conflicts in Africa have a regional dimension, it is important as well to emphasize regional undertakings. Proceeding from that point of view, if countries in the Great Lakes region were to demonstrate an enhanced commitment to the ongoing regional process, it might become a touchstone for the solution of this problem.

Now I would like to discuss ways in which the Security Council might conduct its own actions. First, as mentioned earlier, in considering a variety of initiatives, the Security Council should consider which items are worthy of discussion, taking into account the purpose for which each initiative was launched or established.

Secondly, as indicated in the concept paper, while the Security Council has various options available to it, such as commodity sanctions, the establishment of groups of experts and the creation of peacekeeping operations, it is critical for the Security Council to give careful consideration to when and how the Council can suitably transform the sanction-driven approach to a development-based approach. In such cases, the level of commitment of the Government concerned becomes the crucial basis for the decision. In this regard, the case of Liberia provides an instructive example. In Liberia, forestry reform and participation in the Kimberley Process have been promoted through the Security Council's presentation of clear conditions for the lifting of sanctions.

Thirdly, although sanction measures may be effective tools to restore international peace and stability, it is necessary to consider what kind of sanction measures will be effective by taking into account the specific situation at hand.

Fourthly, the reinforcement of relations between the Security Council and other relevant bodies is required. This is especially true with regard to the Peacebuilding Commission. The various undertakings of the Security Council should be reflected seamlessly in the Commission's activities, including in the elaboration of an integrated peacebuilding strategy.

For the Security Council, it is essential to follow up the outcome of today's debate. In this connection, we would appreciate it if the Council would consider ways to enhance the effectiveness and coherence of its actions.

Japan participates actively in the international framework, having taken part in the Kimberley Process from its inception and serving as host to the ITTO. Additionally, in the bilateral context, Japan has been providing significant support to African countries in the area of capacity-building through its programmes for technical training in Japan. This issue also has been taken up in the Group of 8 (G-8) process, and as chair of the G-8 for 2008 and co-organizer of the fourth Tokyo International Conference on African Development (TICAD IV), which is also scheduled for next year, Japan intends to continue its active engagement in this problem.

The President (*spoke in French*): I now give the floor to the representative of Botswana.

Mr. Outlule (Botswana): Let me begin by stating that the delegation of Botswana aligns itself with the statement delivered by the representative of Tunisia on behalf of the African Group. I also wish to thank you, Mr. President, for organizing this important debate. It is a welcome initiative, and we commend your leadership. The debate should contribute to the promotion of awareness and greater understanding of how a combination of factors and individuals can conspire to exploit natural resources in a manner that causes conflict.

There are several questions that demand answers. The delegation of Botswana wishes to submit that, in our view, the debate is really about natural resources and development. How can we ensure that natural resources are exploited for the common good?

The conflict over natural resources is neither new nor unique to Africa. Throughout history, there have been many examples of conflict over land, wildlife and water resources. The link between natural resources and conflict probably began when humankind started hunting and gathering. The scramble for Africa by colonial Powers, for instance, entailed conflict with Africans over their natural resources. The challenge we face is how to eliminate this age-old evil of grabbing and fighting over natural resources. The seeds of conflict are sown when a group of people either grab what does not belong to them or try to exclude others from benefiting from their national heritage.

For most developing countries, natural resources should really be a source of hope and opportunity for a better future rather than a threat or a curse. Botswana can indeed attest to the good that diamonds can do, for

instance. There can be no doubt however that, left alone, diamonds cannot do anything. Positive and innovative actions, policies and practices by people, combined with good leadership, are critical to putting a resource to good use.

Botswana fully supports the Kimberley Process. It is a practical mechanism underpinned by General Assembly and Security Council resolutions calling for accountable and transparent internal controls and systems at the national level, as well as international measures to monitor and track the trade in rough diamonds. Today, almost all international trade in diamonds is processed through the Kimberley Process, and diamonds have become a major source of funding for social progress and economic development in many countries, particularly in Africa. The Kimberley Process continues to be a major success in curbing production and trade in conflict diamonds.

There is agreement on the urgent need to effectively prevent conflict over natural resources. In doing so, we should not establish mechanisms that create conditionalities for trade in natural resources and place a heavy burden on exporting countries. That would be unfortunate, as it would set new trade barriers.

We must not demonize or stigmatize natural resources. Natural resources do not cause conflict. They simply do not. It is illicit trafficking in small arms and light weapons, human greed, mismanagement, corruption and exploitation that generate conflict. The seedlings of conflict, I repeat, are planted when the vast majority of citizens are excluded from enjoying the wealth of their national heritage.

There is no single way to address the issue of conflict over resources. We call for equal accountability for those who manufacture and export arms and those who do not use the proceeds of the sale of natural resources to produce food and provide education, health care, clean water and communications infrastructure, but rather subvert and divert such proceeds to purchase and import arms in order to perpetrate or fuel war on their populations.

We need a wise combination of measures to assist Africa to urgently and effectively tackle the challenges of underdevelopment. The phenomenon of natural resources and conflict is common in Africa because of the problem of underdevelopment. In the highly industrialized countries, it no longer exists because the economies are primarily dependent on science and technology and on highly skilled services.

If natural resources are demonized, the result will be that only natural resources from Africa would be excluded from international trade. Mechanisms that can have an adverse impact on the ability of African countries to profitably exploit their natural resources should be avoided.

Underdevelopment in Africa deserves urgent attention. Strong partnership, assured support and mutually beneficial cooperation in tackling this problem are needed; they are key to resolving the issue of natural resources and conflict.

The President (*spoke in French*): I now give the floor to the representative of Iceland.

Mr. Hannesson (Iceland): At the outset, I would like to thank the Belgian presidency of the Security Council for convening this open debate and giving us the opportunity to participate in the discussion on the complex relationship between natural resources and conflict.

As other speakers have pointed out before me, the theme of today's debate is a cross-cutting issue that includes the prevention of conflict and crises management, Security Council sanctions, peacekeeping operations and peacebuilding, among other topics. We believe that a thematic debate by the Security Council on this issue is indeed timely.

The concept paper prepared by the Belgian presidency (S/2007/334, annex) provides an excellent basis for the discussion, underlining the complex link between natural resources and conflict and indicating how effective and responsible management of resources can contribute to post-conflict recovery. In too many cases, we have seen how exploitation of natural resources, even fish stocks, and high-value commodities has become a direct or indirect cause of conflict, as well as the financial means for maintaining it.

Good and transparent governance of natural resources is an essential ingredient in maintaining stability. In this context, we recognize the impact and value of the Kimberley Process vis-à-vis the exploitation of so-called blood diamonds. In some parts of the world, access to water is also increasingly becoming a source of conflict that we need to address.

As fossil fuels will become less accessible in the future, we need to ensure access to alternate energy sources.

In a broader context, I would also like to mention clear threats to security and democracy such as poverty, debt and environmental pollution. Among the biggest threats to stability and democracy in the future will be the unsustainable use of the world's natural resources and irreversible pollution. Security risks associated with global, regional and local conflicts over natural resources are increasingly becoming more central on the political agenda. Iceland participated in and welcomed the timely open debate held in the Security Council on 17 April on climate change and security (see S/PV.5663), organized by the British presidency of the Council.

Peacekeeping operations are one of the most important areas of United Nations activities, with a growing number of operations. We need to ensure that the current peacekeeping and peacebuilding work of the United Nations pays sufficient attention to responsible and effective resource management. The Peacebuilding Commission should also be an effective and flexible instrument in that context.

We would favour a stronger role for the Peacebuilding Commission regarding the post-conflict utilization of natural resources and environmental preservation. We need to address how the Security Council and other United Nations institutions can be better equipped to tackle this issue, but the Security Council has a key role to play, as outlined in resolution 1625 (2005).

There is a need to further enhance and promote systematic international cooperation on resource-related security, including regional cooperation. This debate will help to provide greater focus on this increasingly important issue.

The President (*spoke in French*): I now give the floor to the representative of Canada.

Mr. McNee (Canada): I have the honour today to speak on behalf of Canada, Australia and New Zealand (CANZ). The CANZ delegations welcome this open debate on natural resources and conflict. We congratulate Belgium on taking this valuable initiative and look forward to continued Belgian leadership on this issue in the Council.

After years of case-by-case, resource-by-resource activity by the Council, today's debate provides a timely opportunity for the Council to consider a more comprehensive approach to its work in this area. While the challenges are complex and multidimensional, there is no doubt that the Security Council has an important role to play both in breaking the link between natural resource exploitation and the fuelling of armed conflicts and in promoting effective natural resource management in fragile States and post-conflict peacebuilding situations.

Today's debate is also an opportunity to highlight the potential for effective management of natural resources to contribute to conflict prevention and to international peace and security. Natural resource revenues can be a force for sustained economic growth, social development, and stability.

Sadly, though, recent history has demonstrated that the often illicit extraction of natural resources has too frequently led to, deepened and prolonged conflicts by providing belligerents with both the incentive and the means to perpetuate campaigns of violence. Facilitated by economic globalization and access to international markets, many warring parties have turned to the predatory exploitation of lucrative natural resources such as timber, precious minerals and gemstones. Conflicts can develop a self-financing nature, with the revenues generated from the trade in conflict resources helping to procure weapons and military materiel, hire mercenaries, line the pockets of corrupt warlords and Government officials and buy the support of neighbouring regimes.

Action by the Council on the often illicit exploitation of resources has focused largely on the role of diamonds, with sanctions being imposed in four separate cases: Angola, Sierra Leone, Liberia and Côte d'Ivoire. But we should not forget the other resources that have been the subject of the Council's attention, from support for a moratorium on log exports during the Cambodian civil war to the ban imposed on timber exports on Liberia during Charles Taylor's rule. And reports from the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of Congo have identified a series of other resources, such as gold and coltan, as resources directly linked to instability in that volatile region.

Effective action to address the peace and security challenges that can arise from the exploitation of natural resources must necessarily be well coordinated with broader efforts related to conflict prevention, peacebuilding, resources governance and economic development. Building on the Council's successful cooperation with the Kimberley Process, stronger links could be forged within the United Nations system — including, as others have argued today, with the Peacebuilding Commission and the United Nations Development Programme — the international financial institutions and international initiatives such as the International Conference on the Great Lakes Region and the Extractive Industries Transparency Initiative. There is a clear role here as well for the private sector, particularly through engagement with initiatives such as the Voluntary Principles on Security and Human Rights, the Organization for Economic Cooperation and Development Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones, the Equator Principles and the International Financial Corporation Performance Standards.

While coordination with broader international efforts is indispensable, much of what needs to be done lies squarely within the mandate of the Security Council, including the imposition and monitoring of targeted sanctions regimes and the integration of natural resource issues into peacekeeping mandates and post-conflict peacebuilding strategies.

(*spoke in French*)

Targeted sanctions have been used in multiple contexts to address the link between resources and conflict. These mechanisms have been used to prevent the trade in a specific conflict resource, block the exchange of these resources for weapons, and disrupt the trade in conflict resources through asset freezes and travel bans. Experience has shown however that the effectiveness of sanctions depends both on systematic monitoring by panels of experts and thorough implementation within national jurisdictions.

United Nations missions in the Democratic Republic of the Congo, Liberia and Côte d'Ivoire have been directly involved in monitoring and securing sources of resources that have been linked to conflict and instability. Building on these experiences, future operations should be planned and deployed with an understanding of the nature and implications of the distribution of natural resources in their areas of operation.

The CANZ delegations strongly encourage the members of the Security Council to undertake an in-depth examination of the intersection between the exploitation of natural resources and the persistence, and in some cases intensification, of armed conflicts. We know that natural resources play a complex role in a number of contemporary civil wars. These issues have recurred in Council deliberations and will continue to do so.

In order to guarantee the maintenance of international peace and security, it remains essential that we take duly into account the unique role that the Security Council is called upon to play and the possibility of collaboration with other organizations and initiatives. Today's discussion is an important first step in that direction.

The President (*spoke in French*): As there are still several speakers on my list who have not yet had an opportunity to speak, I propose, with the consent of Council members, to suspend the meeting until 3 p.m.

The meeting was suspended at 1.50 p.m.